

FISCAL BIENNIUM 2004-2006 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM

VOLUME II

Legislative Research Commission

APRIL 27, 2005

This FB 2004-2006 Commonwealth Budget Final Budget Memorandum, as approved by the Legislative Research Commission pursuant to 2005 HJR 92, enumerates the changes made by the 2005 General Assembly to HB 267, the State /Executive Branch Budget Bill, and provides explanatory detail to convey the intent of their actions. This report addresses not only provisions of HB 267, but also applicable provisions of HB 350 and HB 497 that impact, add, or modify appropriation and revenue provisions contained in HB 267.

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**FISCAL BIENNIUM 2004-2006 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

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FISCAL BIENNIUM 2004-2006 COMMONWEALTH BUDGET

FINAL BUDGET MEMORANDUM

GENERAL GOVERNMENT

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OPERATING BUDGET - TOTAL FUNDS

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT						
Office of the Governor	38,066,400	38,066,400		48,503,900	48,503,900	
Office of State Budget Director	4,127,500	4,127,500		4,560,800	4,560,800	
State Planning Fund	500,000	125,000	(375,000)	500,000	125,000	(375,000)
Department of Veterans' Affairs	37,764,400	37,764,400		37,775,800	38,475,800	700,000
Governor's Office of Agricultural Policy	39,716,500	39,716,500		40,512,900	26,954,900	(13,558,000)
Kentucky Infrastructure Authority	55,249,000	55,249,000		55,380,400	64,972,900	9,592,500
Military Affairs	168,011,200	168,011,200		132,438,700	132,439,200	500
Commission on Human Rights	2,252,500	2,252,500		2,127,700	2,127,700	
Commission on Women	303,200	303,200		283,800	283,800	
Local Government	65,767,400	68,085,400	2,318,000	66,943,800	68,161,800	1,218,000
Area Development Fund	809,700	809,700		809,700	809,700	
Local Government Economic Assistance Fund	42,781,100	42,781,100		41,977,900	41,977,900	
Local Government Economic Development Fund	38,048,400	38,048,400		24,509,800	32,509,800	8,000,000
Executive Branch Ethics Commission	353,900	353,900		353,900	353,900	
Secretary of State	3,026,900	3,026,900		3,026,900	3,026,900	
Board of Elections	15,192,200	15,192,200		4,103,500	4,103,500	
Registry of Election Finance	1,409,500	1,409,500		1,527,500	1,527,500	
Attorney General	25,069,300	25,319,300	250,000	24,849,800	25,099,800	250,000
Commonwealth's Attorneys	28,797,300	28,797,300		29,533,000	29,795,600	262,600
County Attorneys	23,409,800	23,409,800		24,380,200	24,920,200	540,000
Treasury	3,076,300	3,076,300		2,984,900	2,984,900	
Agriculture	29,385,600	29,519,100	133,500	27,599,100	27,732,600	133,500
Auditor of Public Accounts	8,877,300	8,877,300		8,836,800	8,836,800	
Personnel Board	543,500	543,500		543,500	583,500	40,000
Kentucky Retirement Systems	22,346,800	23,246,800	900,000	30,916,700	31,916,700	1,000,000
Boards and Commissions	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
Emergency Medical Services	3,979,800	3,979,800		2,999,800	2,999,800	
Kentucky River Authority	6,840,300	6,840,300		1,777,700	1,777,700	
ANOCs	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
Regular Appropriation	722,583,700	697,307,700	(25,276,000)	658,339,300	655,678,400	(2,660,900)

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OPERATING BUDGET - GENERAL FUND (TOBACCO)

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT						
Governor's Office of Agricultural Policy	39,195,900	39,195,900		39,099,300	24,541,300	(14,558,000)
Kentucky Infrastructure Authority					5,358,000	5,358,000
Regular Appropriation	39,195,900	39,195,900		39,099,300	29,899,300	(9,200,000)
CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT						
Governor's Office of Agricultural Policy	27,309,700	27,309,700		5,252,400	5,252,400	
Reserve Spending	27,309,700	27,309,700		5,252,400	5,252,400	

OPERATING BUDGET - GENERAL FUND

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT						
Office of the Governor	6,308,300	6,308,300		7,765,700	7,765,700	
Office of State Budget Director	2,285,500	2,285,500		4,323,800	4,323,800	
State Planning Fund	500,000	125,000	(375,000)	500,000	125,000	(375,000)
Department of Veterans' Affairs	15,358,800	15,358,800		15,358,800	15,458,800	100,000
Governor's Office of Agricultural Policy				898,000	1,898,000	1,000,000
Kentucky Infrastructure Authority				227,500	4,462,000	4,234,500
Military Affairs	11,147,600	11,147,600		11,126,800	11,127,300	500
Commission on Human Rights	1,904,300	1,904,300		1,904,300	1,904,300	
Commission on Women	263,200	263,200		263,200	263,200	
Local Government	11,629,300	13,947,300	2,318,000	13,770,400	14,988,400	1,218,000
Area Development Fund	809,700	809,700		809,700	809,700	
Local Government Economic Assistance Fund	42,781,100	42,781,100		41,977,900	41,977,900	
Local Government Economic Development Fund	38,048,400	38,048,400		24,509,800	32,509,800	8,000,000
Executive Branch Ethics Commission	351,500	351,500		351,500	351,500	
Secretary of State	2,224,000	2,224,000		2,224,000	2,224,000	
Board of Elections	6,091,000	6,091,000		3,046,400	3,046,400	
Registry of Election Finance	1,409,500	1,409,500		1,409,500	1,409,500	
Attorney General	13,026,200	13,276,200	250,000	13,486,000	13,736,000	250,000
Commonwealth's Attorneys	27,842,100	27,842,100		28,588,300	28,850,900	262,600
County Attorneys	22,979,900	22,979,900		23,964,100	24,504,100	540,000
Treasury	2,047,700	2,047,700		1,941,600	1,941,600	
Agriculture	18,876,500	19,010,000	133,500	18,876,500	19,010,000	133,500
Auditor of Public Accounts	5,780,800	5,780,800		5,530,800	5,530,800	
Personnel Board	543,500	543,500		543,500	583,500	40,000
Kentucky Retirement Systems	4,562,500	4,562,500		11,851,700	11,951,700	100,000
Emergency Medical Services	2,391,600	2,391,600		2,391,600	2,391,600	
Kentucky River Authority	369,500	369,500		369,500	369,500	
ANOCs	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
Regular Appropriation	278,586,000	252,183,800	(26,402,200)	259,143,400	263,897,500	4,754,100
CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT						
Board of Elections	(626,300)	(626,300)				
Reserve Spending	(626,300)	(626,300)				

FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

OPERATING BUDGET - RESTRICTED FUNDS

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT						
Office of the Governor	1,408,100	1,408,100		388,200	388,200	
Office of State Budget Director	1,842,000	1,842,000		237,000	237,000	
Department of Veterans' Affairs	22,405,600	22,405,600		22,417,000	23,017,000	600,000
Governor's Office of Agricultural Policy	520,600	520,600		515,600	515,600	
Kentucky Infrastructure Authority	4,927,000	4,927,000		4,813,900	4,813,900	
Military Affairs	55,536,600	55,536,600		59,441,400	59,441,400	
Commission on Human Rights	5,500	5,500		10,500	10,500	
Commission on Women	40,000	40,000		20,600	20,600	
Local Government	1,707,300	1,707,300		742,600	742,600	
Executive Branch Ethics Commission	2,400	2,400		2,400	2,400	
Secretary of State	802,900	802,900		802,900	802,900	
Board of Elections	101,200	101,200		57,100	57,100	
Registry of Election Finance				118,000	118,000	
Attorney General	9,225,200	9,225,200		8,648,800	8,648,800	
Commonwealth's Attorneys	350,000	350,000		311,500	311,500	
County Attorneys	38,200	38,200		24,400	24,400	
Treasury	778,600	778,600		793,300	793,300	
Agriculture	5,696,000	5,696,000		3,909,500	3,909,500	
Auditor of Public Accounts	3,096,500	3,096,500		3,306,000	3,306,000	
Kentucky Retirement Systems	17,784,300	18,684,300	900,000	19,065,000	19,965,000	900,000
Boards and Commissions	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
Emergency Medical Services	171,700	171,700		171,700	171,700	
Kentucky River Authority	6,470,800	6,470,800		1,408,200	1,408,200	
Regular Appropriation	150,734,900	151,861,100	1,126,200	144,653,900	146,438,900	1,785,000

FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

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OPERATING BUDGET - FEDERAL FUNDS

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT						
Office of the Governor	30,000,000	30,000,000		40,000,000	40,000,000	
Kentucky Infrastructure Authority	50,322,000	50,322,000		50,339,000	50,339,000	
Military Affairs	101,327,000	101,327,000		61,870,500	61,870,500	
Commission on Human Rights	342,700	342,700		212,900	212,900	
Local Government	52,430,800	52,430,800		52,430,800	52,430,800	
Board of Elections	9,000,000	9,000,000		1,000,000	1,000,000	
Attorney General	2,817,900	2,817,900		2,715,000	2,715,000	
Commonwealth's Attorneys	605,200	605,200		633,200	633,200	
County Attorneys	391,700	391,700		391,700	391,700	
Agriculture	4,813,100	4,813,100		4,813,100	4,813,100	
Emergency Medical Services	1,416,500	1,416,500		436,500	436,500	
Regular Appropriation	253,466,900	253,466,900		214,842,700	214,842,700	

FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

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OPERATING BUDGET - ROAD FUND

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT						
Office of the Governor	350,000	350,000		350,000	350,000	
Treasury	250,000	250,000		250,000	250,000	
Regular Appropriation	600,000	600,000		600,000	600,000	

A - Government Operations

Operating Budget

Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	39,195,900	39,195,900		39,099,300	29,899,300	(9,200,000)
General Fund	278,586,000	252,183,800	(26,402,200)	259,143,400	263,897,500	4,754,100
Restricted Funds	150,734,900	151,861,100	1,126,200	144,653,900	146,438,900	1,785,000
Federal Funds	253,466,900	253,466,900		214,842,700	214,842,700	
Road Fund	600,000	600,000		600,000	600,000	
Regular Total Funds	722,583,700	697,307,700	(25,276,000)	658,339,300	655,678,400	(2,660,900)
Continuing	26,683,400	26,683,400		5,252,400	5,252,400	
TOTAL FUNDS	749,267,100	723,991,100	(25,276,000)	663,591,700	660,930,800	(2,660,900)

II. EXPENDITURE CATEGORY

Personnel Costs	218,647,800	217,024,000	(1,623,800)	232,211,000	233,588,600	1,377,600
Operating Expenses	124,957,600	99,253,900	(25,703,700)	108,209,300	98,834,300	(9,375,000)
Grants, Loans, Benefits	396,197,500	397,781,000	1,583,500	316,749,100	310,924,600	(5,824,500)
Debt Service		468,000	468,000	2,608,000	13,419,000	10,811,000
Capital Outlay	1,846,600	1,846,600		1,809,300	2,159,300	350,000
Construction	7,617,600	7,617,600		2,005,000	2,005,000	
TOTAL EXPENDITURES	749,267,100	723,991,100	(25,276,000)	663,591,700	660,930,800	(2,660,900)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	39,195,900	39,195,900		39,099,300	24,541,300	(14,558,000)
General Fund	278,586,000	249,457,300	(29,128,700)	259,143,400	257,094,400	(2,049,000)
Restricted Funds	150,734,900	150,961,100	226,200	144,653,900	145,538,900	885,000
Federal Funds	253,466,900	253,466,900		214,842,700	214,842,700	
Road Fund	600,000	600,000		600,000	600,000	
Regular Total Funds	722,583,700	693,681,200	(28,902,500)	658,339,300	642,617,300	(15,722,000)
Continuing	26,683,400	26,683,400		5,252,400	5,252,400	
TOTAL BASE LEVEL	749,267,100	720,364,600	(28,902,500)	663,591,700	647,869,700	(15,722,000)

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund (Tobacco)					5,358,000	5,358,000
General Fund		2,726,500	2,726,500		6,803,100	6,803,100
Restricted Funds		900,000	900,000		900,000	900,000
TOTAL ADDITIONAL		3,626,500	3,626,500		13,061,100	13,061,100

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A - Government Operations

Capital Budget

Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund		1,150,000	1,150,000	140,700	140,700	
Restricted Funds	6,825,100	6,825,100		4,500,000	4,500,000	
Federal Funds	30,303,000	30,303,000				
Bond Funds	24,100,000	250,950,000	226,850,000		5,000,000	5,000,000
Agency Bonds	12,020,000	12,020,000				
Capital Construction Sur	108,000	108,000		63,000	63,000	
Investment Income	2,760,000	1,410,000	(1,350,000)	1,410,000	550,000	(860,000)
TOTAL CAPITAL	76,116,100	302,766,100	226,650,000	6,113,700	10,253,700	4,140,000

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FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

A - Government Operations

Operating Budget

Executive Office of the Governor Summary

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	9,093,800	8,718,800	(375,000)	12,589,500	12,214,500	(375,000)
Restricted Funds	3,250,100	3,250,100		625,200	625,200	
Federal Funds	30,000,000	30,000,000		40,000,000	40,000,000	
Road Fund	350,000	350,000		350,000	350,000	
Regular Total Funds	42,693,900	42,318,900	(375,000)	53,564,700	53,189,700	(375,000)
Continuing						
TOTAL FUNDS	42,693,900	42,318,900	(375,000)	53,564,700	53,189,700	(375,000)
II. EXPENDITURE CATEGORY						
Personnel Costs	10,317,500	10,317,500		11,540,000	11,540,000	
Operating Expenses	2,470,700	2,470,700		2,706,700	2,706,700	
Grants, Loans, Benefits	29,825,700	29,450,700	(375,000)	39,318,000	38,943,000	(375,000)
Capital Outlay	80,000	80,000				
TOTAL EXPENDITURES	42,693,900	42,318,900	(375,000)	53,564,700	53,189,700	(375,000)
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	9,093,800	8,693,800	(400,000)	12,589,500	12,189,500	(400,000)
Restricted Funds	3,250,100	3,250,100		625,200	625,200	
Federal Funds	30,000,000	30,000,000		40,000,000	40,000,000	
Road Fund	350,000	350,000		350,000	350,000	
Regular Total Funds	42,693,900	42,293,900	(400,000)	53,564,700	53,164,700	(400,000)
Continuing						
TOTAL BASE LEVEL	42,693,900	42,293,900	(400,000)	53,564,700	53,164,700	(400,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund		25,000	25,000		25,000	25,000
TOTAL ADDITIONAL		25,000	25,000		25,000	25,000

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A - Government Operations

Operating Budget

Office of the Governor

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	6,308,300	6,308,300		7,765,700	7,765,700	
Restricted Funds	1,408,100	1,408,100		388,200	388,200	
Federal Funds	30,000,000	30,000,000		40,000,000	40,000,000	
Road Fund	350,000	350,000		350,000	350,000	
Regular Total Funds	38,066,400	38,066,400		48,503,900	48,503,900	
Continuing						
TOTAL FUNDS	38,066,400	38,066,400		48,503,900	48,503,900	
II. EXPENDITURE CATEGORY						
Personnel Costs	6,997,000	6,997,000		7,786,500	7,786,500	
Operating Expenses	1,666,400	1,666,400		1,902,400	1,902,400	
Grants, Loans, Benefits	29,323,000	29,323,000		38,815,000	38,815,000	
Capital Outlay	80,000	80,000				
TOTAL EXPENDITURES	38,066,400	38,066,400		48,503,900	48,503,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	6,308,300	6,308,300		7,765,700	7,765,700	
Restricted Funds	1,408,100	1,408,100		388,200	388,200	
Federal Funds	30,000,000	30,000,000		40,000,000	40,000,000	
Road Fund	350,000	350,000		350,000	350,000	
Regular Total Funds	38,066,400	38,066,400		48,503,900	48,503,900	
Continuing						
TOTAL BASE LEVEL	38,066,400	38,066,400		48,503,900	48,503,900	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Office of the Governor

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Old Governor's Mansion: The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. No one shall reside in the Old Governor's Mansion, and it shall be used as a meetinghouse or museum only."

"Housing Allowance for the Lieutenant Governor: Included in the above General Fund appropriation for the Office of the Governor, Lieutenant Governor's Office, is a housing allowance of \$2,500 monthly, effective April 1, 2005."

Office of Homeland Security- The Governor's Office created the Office of Homeland Security to manage dollars anticipated to be received from the federal government for this national initiative.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly amends the State Executive Branch Budget Bill Part I, Operating Budget, language provisions as follows:

"Old Governor's Mansion: The Secretary of the Finance and Administration Cabinet shall expend no funds to maintain a home for the Lieutenant Governor. The Secretary of the Finance and Administration Cabinet is directed to transfer the operation and use of the Old Governor's Mansion to the Kentucky Historical Society and transfer funding of \$100,000 in fiscal year 2004-2005 and \$100,000

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Office of the Governor

in fiscal year 2005-2006. The Kentucky Historical Society shall direct the official use of the Old Governor's Mansion, which shall not be used as a residence of the Lieutenant Governor."

"Allowance for the Lieutenant Governor: Included in the above General Fund appropriation for the Office of the Governor, Lieutenant Governor's Office, is an allowance of up to \$2,500 monthly, to include \$1,000 as a housing allowance and \$1,500 if additional duties are performed. The allowance shall be effective April 1, 2005."

The General Assembly sustains the following Veto Message from the Governor of the Commonwealth:

Partial Veto #1 of HB 267- "I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part on page 2, line 7, after the period, delete "The" and page 2, lines 8 through 12 in their entirety: 'Secretary of the Finance and Administration Cabinet is directed to transfer the operation and use of the Old Governor's Mansion to the Kentucky Historical Society and transfer funding of \$100,000 in fiscal year 2004-2005 and \$100,000 in fiscal year 2005-2006. The Kentucky Historical Society shall direct the official use of the Old Governor's Mansion, which shall not be used as a residence of the Lieutenant Governor.' This part transfers ownership of the Old Governor's Mansion to the Kentucky Historical Society. I am vetoing this part because the Old Governor's Mansion will be better served by being administered within the Finance and Administration Cabinet's Division of Historic Properties within the Department for Facilities and Support Services. The Department for Facilities and Support Services has as its core mission to manage and maintain state-owned facilities. The Division of Historic Properties has specific expertise with state-owned properties of significant historical value to the citizens of the Commonwealth."

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A - Government Operations

Operating Budget

Office of State Budget Director

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	2,285,500	2,285,500		4,323,800	4,323,800	
Restricted Funds	1,842,000	1,842,000		237,000	237,000	
Regular Total Funds	4,127,500	4,127,500		4,560,800	4,560,800	
Continuing						
TOTAL FUNDS	4,127,500	4,127,500		4,560,800	4,560,800	
II. EXPENDITURE CATEGORY						
Personnel Costs	3,320,500	3,320,500		3,753,500	3,753,500	
Operating Expenses	804,300	804,300		804,300	804,300	
Grants, Loans, Benefits	2,700	2,700		3,000	3,000	
TOTAL EXPENDITURES	4,127,500	4,127,500		4,560,800	4,560,800	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	2,285,500	2,285,500		4,323,800	4,323,800	
Restricted Funds	1,842,000	1,842,000		237,000	237,000	
Regular Total Funds	4,127,500	4,127,500		4,560,800	4,560,800	
Continuing						
TOTAL BASE LEVEL	4,127,500	4,127,500		4,560,800	4,560,800	

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Office of the State Budget Director

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Office of the State Budget Director, Agency Revenue Fund, in the amount of \$72,100 in fiscal year 2004-2005.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

A - Government Operations

Operating Budget

State Planning Fund

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	500,000	125,000	(375,000)	500,000	125,000	(375,000)
Regular Total Funds	500,000	125,000	(375,000)	500,000	125,000	(375,000)
Continuing						
TOTAL FUNDS	500,000	125,000	(375,000)	500,000	125,000	(375,000)
II. EXPENDITURE CATEGORY						
Grants, Loans, Benefits	500,000	125,000	(375,000)	500,000	125,000	(375,000)
TOTAL EXPENDITURES	500,000	125,000	(375,000)	500,000	125,000	(375,000)
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	500,000	100,000	(400,000)	500,000	100,000	(400,000)
Regular Total Funds	500,000	100,000	(400,000)	500,000	100,000	(400,000)
Continuing						
TOTAL BASE LEVEL	500,000	100,000	(400,000)	500,000	100,000	(400,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund		25,000	25,000		25,000	25,000
TOTAL ADDITIONAL		25,000	25,000		25,000	25,000
V. ADDITIONAL BUDGET ITEMS						
3 EXPAN State Planning Fund - Expand Grant Program						
ABR765B0001 Bluegrass State Games						
General Fund		25,000	25,000		25,000	25,000
Project Total		25,000	25,000		25,000	25,000
TOTAL ADDITIONAL		25,000	25,000		25,000	25,000

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State Planning Fund

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly provides General Fund support totaling \$125,000 in fiscal year 2004-2005 and \$125,000 in fiscal year 2005-2006.

The General Assembly amends the State Executive Branch Budget Bill, Part I, Operating Budget, to include a language provision as follows:

"Bluegrass State Games: Included in the above General Fund appropriation is \$25,000 in fiscal year 2004-2005 and \$25,000 in fiscal year 2005-2006 to support the Bluegrass State Games."

A - Government Operations

Operating Budget

Department of Veterans' Affairs

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	15,358,800	15,358,800		15,358,800	15,458,800	100,000
Restricted Funds	22,405,600	22,405,600		22,417,000	23,017,000	600,000
Regular Total Funds	37,764,400	37,764,400		37,775,800	38,475,800	700,000
Continuing						
TOTAL FUNDS	37,764,400	37,764,400		37,775,800	38,475,800	700,000
II. EXPENDITURE CATEGORY						
Personnel Costs	29,875,100	29,875,100		30,433,900	30,483,900	50,000
Operating Expenses	7,141,700	7,141,700		7,199,400	7,499,400	300,000
Grants, Loans, Benefits	117,500	117,500		117,500	117,500	
Capital Outlay	80,100	80,100		25,000	375,000	350,000
Construction	550,000	550,000				
TOTAL EXPENDITURES	37,764,400	37,764,400		37,775,800	38,475,800	700,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	15,358,800	15,358,800		15,358,800	15,458,800	100,000
Restricted Funds	22,405,600	22,405,600		22,417,000	23,017,000	600,000
Regular Total Funds	37,764,400	37,764,400		37,775,800	38,475,800	700,000
Continuing						
TOTAL BASE LEVEL	37,764,400	37,764,400		37,775,800	38,475,800	700,000

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Veteran's Affairs

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Veterans' Affairs, Agency Revenue Fund of \$275,000 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Weekend and Holiday Premium Pay Incentive: The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive component of the Personnel Pilot Program for the 2004-2006 fiscal biennium."

"Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45.229, the unexpended balance of the General Fund appropriation provided to the Eastern Kentucky Veterans' Center, the Western Kentucky Veterans' Center, and the Thompson/Hood Veterans' Center in fiscal year 2004-2005 shall not lapse and shall be carried forward into fiscal year 2005-2006."

"Congressional Medal of Honor Recipients - Travel and Per Diem: The Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses incurred when Kentucky residents who have been awarded the Congressional Medal of Honor attend veterans, military, or memorial events in the Commonwealth of Kentucky."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

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Veteran's Affairs

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

In Part I, Operating Budget, the General Assembly adds General Fund totaling \$100,000 in fiscal year 2005-2006 and Restricted Funds totaling \$600,000 in fiscal year 2005-2006.

The General Assembly adds a Part I, Operating Budget, language provisions as follows:

"Cemetery and Homeless Shelter: Included in the above General Fund appropriation in fiscal year 2005-2006 is an additional \$50,000 for a Williamstown Cemetery position and an additional \$50,000 for the Homeless Veterans' Shelter in Lexington."

"Veterans' Center: Included in the above Restricted Funds appropriation is an additional \$600,000 in fiscal year 2005-2006 of which \$250,000 is for a four percent increase in operating funds for the Veterans' Centers and \$350,000 is for the purchase of land adjacent to the Thomson/Hood Veterans' Center."

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A - Government Operations**Capital Budget****Department of Veterans' Affairs**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund						
Federal Funds						
Investment Income	100,000	100,000		100,000	100,000	
TOTAL CAPITAL	100,000	100,000		100,000	100,000	
II. CAPITAL PROJECTS						
1	New State Veterans Cemetery - Central Kentucky Reauthorization					
PRJ0740028						
General Fund						
Federal Funds						
Project Total						
2	New Veterans Cemetery - Northern Kentucky Reauthorization					
PRJ0740029						
General Fund						
Federal Funds						
Project Total						
3	Maintenance Pool					
PRJ0740030						
Investment Income	100,000	100,000		100,000	100,000	
Project Total	100,000	100,000		100,000	100,000	
TOTAL CAPITAL	100,000	100,000		100,000	100,000	

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A - Government Operations

Operating Budget

Governor's Office of Agricultural Policy

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	39,195,900	39,195,900		39,099,300	24,541,300	(14,558,000)
General Fund				898,000	1,898,000	1,000,000
Restricted Funds	520,600	520,600		515,600	515,600	
Regular Total Funds	39,716,500	39,716,500		40,512,900	26,954,900	(13,558,000)
Continuing	27,309,700	27,309,700		5,252,400	5,252,400	
TOTAL FUNDS	67,026,200	67,026,200		45,765,300	32,207,300	(13,558,000)
II. EXPENDITURE CATEGORY						
Personnel Costs	1,109,700	1,109,700		1,118,500	1,118,500	
Operating Expenses	290,100	290,100		285,100	285,100	
Grants, Loans, Benefits	65,626,400	65,626,400		43,463,700	29,905,700	(13,558,000)
Debt Service				898,000	898,000	
TOTAL EXPENDITURES	67,026,200	67,026,200		45,765,300	32,207,300	(13,558,000)
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	39,195,900	39,195,900		39,099,300	24,541,300	(14,558,000)
General Fund				898,000	1,898,000	1,000,000
Restricted Funds	520,600	520,600		515,600	515,600	
Regular Total Funds	39,716,500	39,716,500		40,512,900	26,954,900	(13,558,000)
Continuing	27,309,700	27,309,700		5,252,400	5,252,400	
TOTAL BASE LEVEL	67,026,200	67,026,200		45,765,300	32,207,300	(13,558,000)

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Governor's Office of Agriculture Policy

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"County Extension Agents: Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in fiscal year 2005-2006 for the University of Kentucky Cooperative Extension Service to support the cost of providing a bonus for county extension agents in addition to any salary adjustments which may be made."

"Debt Service: Included in the above General Fund appropriation is \$898,000 in fiscal year 2005-2006 for new bonds for agricultural loans as set forth in Part II, Capital Projects Budget, of this Act."

"Kentucky Agricultural Finance Corporation: Notwithstanding KRS 247.978(2), the total amount of principal which a qualified applicant may owe the Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000."

"Tobacco Settlement Funds - Allocations: Notwithstanding KRS 248.711(2), and from the allocation provided therein, counties that are allocated in excess of \$20,000 annually may provide up to four percent of the individual county allocation, not to exceed \$15,000 annually, to the county council in that county for administrative costs."

"Commercialization and Innovation Initiatives: The Agricultural Development Board is encouraged to work with the Economic Development Cabinet to provide up to \$5,000,000 each fiscal year of the biennium to fund the Natural Products Investment Fund."

The Bill as Introduced provides General Fund - Phase I Tobacco Settlement Funds totaling \$39,195,900 in fiscal year 2004-2005 and \$39,099,300 in fiscal year 2005-2006 for agriculture-related grants authorized by the Kentucky Agricultural Development Board and administrative operations of the Governor's Office of Agricultural Policy.

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Governor's Office of Agriculture Policy

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly reduces General Fund (Tobacco) appropriation, in fiscal year 2005-2006, by \$9,200,000, to provide debt service for \$87,000,000 in Bond Funds, for the Phase II Tobacco Settlement Payment project. This project is in the Part II, Capital Budget, of the Finance and Administration Cabinet, Office of the Controller.

The General Assembly deletes Part I, Operating Budget language provisions as follows:

"County Extension Agents: Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in fiscal year 2005-2006 for the University of Kentucky Cooperative Extension Service to support the cost of providing a bonus for county extension agents in addition to any salary adjustments which may be made."

"Commercialization and Innovation Initiatives: The Agricultural Development Board is encouraged to work with the Economic Development Cabinet to provide up to \$5,000,000 each fiscal year of the biennium to fund the Natural Products Investment Fund."

The General Assembly amends Part V, Funds Transfer, to include a transfer of \$27,000,000 in fiscal year 2004-2005 from Tobacco Funds per KRS 248.703(2)(b)(2).

The General Assembly adds in the Part I, Operating Budget General Fund resources of \$1,000,000 in fiscal year 2005-2006 from unclaimed Tobacco Funds - Phase II supplement checks provided by the General Assembly in fiscal year 2000-2001.

The General Assembly provides in the Part I, Operating Budget General Fund (Tobacco) resources of \$9,000,000 in fiscal year 2005-2006 for the Environmental Stewardship Program (Soil and Water Cost Share) in the Environmental and Public Protection Cabinet, Department of Natural Resources.

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Governor's Office of Agriculture Policy

The General Assembly provides in the Part I, Operating Budget General Fund (Tobacco) resources of \$5,358,000 in fiscal year 2005-2006 for Debt Service to support Bond Funds of \$126,000,000 in fiscal year 2005-2006 in the Kentucky Infrastructure Authority, Infrastructure for Economic Development for Tobacco Counties.

A - Government Operations

Capital Budget

Governor's Office of Agricultural Policy

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Bond Funds	17,000,000	17,000,000				
TOTAL CAPITAL	17,000,000	17,000,000				
II. CAPITAL PROJECTS						
1 Kentucky Agriculture Finance Corporation - Loan Pool						
PRJGOVF0001						
Bond Funds	17,000,000	17,000,000				
Project Total	17,000,000	17,000,000				
TOTAL CAPITAL	17,000,000	17,000,000				

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A - Government Operations

Operating Budget

Kentucky Infrastructure Authority

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)					5,358,000	5,358,000
General Fund				227,500	4,462,000	4,234,500
Restricted Funds	4,927,000	4,927,000		4,813,900	4,813,900	
Federal Funds	50,322,000	50,322,000		50,339,000	50,339,000	
Regular Total Funds	55,249,000	55,249,000		55,380,400	64,972,900	9,592,500
Continuing						
TOTAL FUNDS	55,249,000	55,249,000		55,380,400	64,972,900	9,592,500
II. EXPENDITURE CATEGORY						
Personnel Costs	2,684,400	2,684,400		2,688,900	2,688,900	
Operating Expenses	301,000	301,000		301,200	301,200	
Grants, Loans, Benefits	52,233,600	52,233,600		52,132,800	52,132,800	
Debt Service				227,500	9,820,000	9,592,500
Capital Outlay	30,000	30,000		30,000	30,000	
TOTAL EXPENDITURES	55,249,000	55,249,000		55,380,400	64,972,900	9,592,500
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund				227,500	228,000	500
Restricted Funds	4,927,000	4,927,000		4,813,900	4,813,900	
Federal Funds	50,322,000	50,322,000		50,339,000	50,339,000	
Regular Total Funds	55,249,000	55,249,000		55,380,400	55,380,900	500
Continuing						
TOTAL BASE LEVEL	55,249,000	55,249,000		55,380,400	55,380,900	500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund (Tobacco)					5,358,000	5,358,000
General Fund					4,234,000	4,234,000
TOTAL ADDITIONAL					9,592,000	9,592,000
V. ADDITIONAL BUDGET ITEMS						
1 NEW	Infrastructure for Economic Development Fund for Coal Producing Counties					
ABR0820001	Debt Service on Bond Funded Capital Project					
General Fund					3,725,000	3,725,000
Project Total					3,725,000	3,725,000

A - Government Operations

Operating Budget

Kentucky Infrastructure Authority

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
2 CONT Infrastructure for Economic Development for Tobacco Counties (Debt Service)					
ABR0820004 Debt Service on Bond Funded Capital Project					
General Fund (Tobacco				5,358,000	5,358,000
General Fund				509,000	509,000
Project Total				5,867,000	5,867,000
TOTAL ADDITIONAL				9,592,000	9,592,000

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Kentucky Infrastructure Authority

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Federally Assisted Wastewater Revolving Loan Fund Program: Included in the above General Fund appropriation is \$104,500 in fiscal year 2005-2006 for debt service to support \$2,200,000 in bonds to match \$11,000,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund Program (Fund A)."

"Safe Drinking Water State Revolving Loan Fund Program: Included in the above General Fund appropriation is \$123,000 in fiscal year 2005-2006 for debt service to support \$2,600,000 in bonds to match \$13,000,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund Program (Fund F). The Federal Funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act. The required state matching funds are appropriated as Bond Funds in Part II, Capital Projects Budget, of this Act."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Funds Appropriations : The Bond Funds appropriated in items 001. and 002. above are the required state match for the federal program. The Federal Funds associated with the program are appropriated in Part I, Operating Budget, of this Act to comply with the Federal Cash Management Act."

"Expenditure of Loan Repayments Cash Balances: The Kentucky Infrastructure Authority is authorized to expend the cash balances from loan repayments on deposit at the trustee bank for financial assistance, in the form of low-interest loans, to governmental agencies for professional planning and preliminary engineering design work required for eligible Fund A wastewater projects."

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Kentucky Infrastructure Authority

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provisions as follows:

"Federally Assisted Wastewater Revolving Loan Fund Program: Included in the above General Fund appropriation is \$105,000 in fiscal year 2005-2006 for debt service to support \$2,200,000 in bonds to match \$11,000,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund Program (Fund A)."

"Funding Requirement: Recipients of funds appropriated from the Infrastructure for Economic Development Fund for Coal-Producing Counties and from the Infrastructure for Economic Development Fund for Tobacco Counties shall certify to the Kentucky Infrastructure Authority that they have identified and applied for all available sources of funding for the line item project."

"Infrastructure for Economic Development Fund for Coal-Producing Counties: Included in the above General Fund appropriation is \$3,725,000 in fiscal year 2005-2006 for debt service to support an additional \$80,000,000 in state bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties. These funds are transferred from the Local Government Economic Development Fund, Multi-County Fund."

"Infrastructure for Economic Development Fund for Tobacco Counties: Included in the above General Fund (Tobacco) appropriation is \$5,358,000 in fiscal year 2005-2006 and General Fund appropriation of \$509,000 for debt service to support \$126,000,000 in Bond Funds for the Infrastructure for Economic Development Fund for Tobacco Counties. Future debt service payments for the Infrastructure for Economic Development Fund for Tobacco Counties shall be provided from the General Fund. It is the intent of the General Assembly that in fiscal year 2006-2007 and fiscal year 2007-2008, the debt service will be provided from the General Fund."

"Administrative Fee on Infrastructure for Economic Development Fund Projects: A one-half percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for

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Kentucky Infrastructure Authority

Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated."

The General Assembly amends the State Executive Branch Budget Bill, Part II, Capital Projects Budget, language provisions as follows:

"Project Identification: The authorized projects to be funded from the Infrastructure for Economic Development Fund for Coal-Producing Counties Bond Funds are identified in Volume Ia of the State/Executive Branch Budget Memorandum."

"Project Identification: The authorized projects to be funded from the Infrastructure Economic Development Fund for Tobacco Counties Bond Funds are identified in Volume Ia of the State/Executive Budget Memorandum."

"Project Revision Authorization: The recipient of Infrastructure for Economic Development Fund for Coal-Producing Counties project funds, identified in Volume Ia of the State/Executive Branch Budget Memorandum, may certify to the Commissioner for the Governor's Office for Local Development that a specified project is no longer an active project and may request reallocation of the project funds to another project. Notwithstanding any other statute to the contrary, upon authorization by the State Budget Director and notification to the Interim Joint Committee on Appropriations and Revenue, the Commissioner for the Governor's Office for Local Development may approve the reallocation of funds."

"Project Revision Authorization: The recipient of Infrastructure for Economic Development Fund for Tobacco Counties project funds, identified in Volume Ia of the State/Executive Branch Budget Memorandum, may certify to the Commissioner for the Governor's Office for Local Development that a specified project is no longer an active project and may request reallocation of the project funds to another project. Notwithstanding any other statute to the contrary, upon authorization by the State Budget Director and notification to the Interim Joint Committee on Appropriations and Revenue, the Commissioner for the Governor's Office for Local Development may approve the reallocation of funds."

The General Assembly amends the State Executive Branch Budget Bill, Part II, Capital Projects Budget, by adding the reauthorization and reallocation as follows:

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Bond Funds of \$175,000, that were authorized in HB 269, by the 2003 General Assembly, from the Shelbyville Water and Sewer - Zaring Mill Road project to the Bullitt County Fiscal Court - Hillview Water and Sewer project.

Bond Funds of \$130,000, that were authorized in HB 269, by the 2003 General Assembly, from the City of Brownsville - Sewer Line Extension project to the Brownsville Municipal Water.

Bond Funds of \$228,000, that were authorized in HB 269, by the 2003 General Assembly, from the City of Brownsville - Sewer Line Extension project to the Brownsville Municipal Water.

Bond Funds of \$600,000, that were authorized in HB 269, by the 2003 General Assembly, from the City of Olive Hill, City of Olive Hill Dam project to City of Olive Hill, Sewer Improvements or debt reduction.

Bond Funds of \$400,000, that were authorized in HB 269, by the 2003 General Assembly, from the City of West Liberty, Water Tank project to City of West Liberty, Water Storage and WTP improvements.

Bond Funds of \$500,000, that were authorized in HB 269, by the 2003 General Assembly, from the Winchester Municipal Utilities - KY 15 Elevated Press project to Winchester Municipal Utilities - Skylark/Chickadee/Redwing Sanitary Sewer Improvements.

Bond Funds of \$674,090, that were authorized in HB 269, by the 2003 General Assembly, from the Southern Water and Sewer District - Water Line Extension on Right Beaver Creek project to the Knott County Fiscal Court - Water and Sewer Hwy. 1679/550 project.

A - Government Operations

Capital Budget

Kentucky Infrastructure Authority

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Federal Funds	24,000,000	24,000,000				
Bond Funds	4,800,000	210,800,000	206,000,000			
TOTAL CAPITAL	28,800,000	234,800,000	206,000,000			
II. CAPITAL PROJECTS						
1	Fund A- Federal Assisted Wastewater Prog					
PRJ0820175						
Federal Funds	11,000,000	11,000,000				
Bond Funds	2,200,000	2,200,000				
Project Total	13,200,000	13,200,000				
2	Fund F-Federally Assisted Drinking Water Revolving Loan Prog					
PRJ0820176						
Federal Funds	13,000,000	13,000,000				
Bond Funds	2,600,000	2,600,000				
Project Total	15,600,000	15,600,000				
3	Infrastructure for Economic Development Fund for Coal Producing Counties					
PRJ0820189						
Bond Funds		80,000,000	80,000,000			
Project Total		80,000,000	80,000,000			
4	Infrastructure for Economic Development Fund for Tobacco Counties					
PRJ0820190						
Bond Funds		126,000,000	126,000,000			
Project Total		126,000,000	126,000,000			
TOTAL CAPITAL	28,800,000	234,800,000	206,000,000			

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A - Government Operations

Operating Budget

Military Affairs

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	11,147,600	11,147,600		11,126,800	11,127,300	500
Restricted Funds	55,536,600	55,536,600		59,441,400	59,441,400	
Federal Funds	101,327,000	101,327,000		61,870,500	61,870,500	
Regular Total Funds	168,011,200	168,011,200		132,438,700	132,439,200	500
Continuing						
TOTAL FUNDS	168,011,200	168,011,200		132,438,700	132,439,200	500
II. EXPENDITURE CATEGORY						
Personnel Costs	29,570,100	29,570,100		31,244,400	31,244,400	
Operating Expenses	54,008,600	54,008,600		57,320,300	57,320,300	
Grants, Loans, Benefits	82,297,000	82,297,000		40,143,100	40,143,100	
Debt Service				1,482,500	1,483,000	500
Capital Outlay	635,500	635,500		748,400	748,400	
Construction	1,500,000	1,500,000		1,500,000	1,500,000	
TOTAL EXPENDITURES	168,011,200	168,011,200		132,438,700	132,439,200	500
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	11,147,600	11,147,600		11,126,800	11,127,300	500
Restricted Funds	55,536,600	55,536,600		59,441,400	59,441,400	
Federal Funds	101,327,000	101,327,000		61,870,500	61,870,500	
Regular Total Funds	168,011,200	168,011,200		132,438,700	132,439,200	500
Continuing						
TOTAL BASE LEVEL	168,011,200	168,011,200		132,438,700	132,439,200	500

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BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Federal Defense Contract: Included in the above Restricted Funds appropriation is \$31,890,600 in fiscal year 2004-2005 and \$32,195,100 in fiscal year 2005-2006 for expanded federal defense contract activity at Bluegrass Station and the Central Clothing Distribution Facility."

"Restricted Funds Debt Service: Included in the above Restricted Funds appropriation is \$1,373,000 in fiscal year 2005-2006 for debt service to support new bonds for the Bluegrass Station project set forth in Part II, Capital Projects Budget, of this Act."

"General Fund Debt Service: Included in the above General Fund appropriation is \$109,500 in fiscal year 2005-2006 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Base Realignment and Closure: Included in the above General Fund appropriation is \$500,000 in fiscal year 2004-2005 and \$300,000 in fiscal year 2005-2006 for Kentucky's efforts regarding the Base Realignment and Closure process."

"Kentucky National Guard: There is appropriated from the General Fund the necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

"Disaster or Emergency Aid Funds : There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially

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declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

The Executive Budget, Part II, Capital Projects Budget, includes the following projects:

"Hanger, Warehouse/Office Buildings-Bluegrass Station, \$12,020,000 in Agency Bond Funds to provide for an expansion of the facilities for an existing defense contract that will result in the creation of more than 300 jobs."

"Various Facilities-Deferred Maintenance, \$2,300,000 in Bond Funds to reduce the existing maintenance backlog."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

In Part I, Operating Budget, includes a language provision that directs:

"General Fund Debt Service: Included in the above General Fund appropriation is \$110,000 in fiscal year 2005-2006 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

In Part II, Capital Budget, the General Assembly deletes funding for the Construction of 30 New T-Hangars, Investment Income, in the amount of \$1,350,000 in fiscal year 2005. However, this project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$1,350,000. The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

In Part II, Capital Budget, the General Assembly deletes funding in the Maintenance Pool of \$860,000 in fiscal year 2006 from investment income. However, this project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$860,000. The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

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In Part II, Capital Budget, the General Assembly provides for Aircraft Maintenance, General Fund of \$150,000 in fiscal year 2005.

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Capital Budget

Military Affairs

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund		150,000	150,000			
Restricted Funds	3,000,000	3,000,000		2,500,000	2,500,000	
Federal Funds	6,303,000	6,303,000				
Bond Funds	2,300,000	2,300,000				
Agency Bonds	12,020,000	12,020,000				
Capital Construction Sur	45,000	45,000				
Investment Income	2,660,000	1,310,000	(1,350,000)	1,310,000	450,000	(860,000)
TOTAL CAPITAL	26,328,000	25,128,000	(1,200,000)	3,810,000	2,950,000	(860,000)
II. CAPITAL PROJECTS						
1	Upgrade Statewide Radio System					
PRJ0950049						
Federal Funds	2,500,000	2,500,000				
Project Total	2,500,000	2,500,000				
2	Runway/Taxiway/Apron Rehabilitation					
PRJ0950054						
Federal Funds	1,901,000	1,901,000				
Project Total	1,901,000	1,901,000				
3	Construct CCA Perimeter Security Fencing					
PRJ0950056						
Federal Funds	402,000	402,000				
Capital Construction Sur	45,000	45,000				
Project Total	447,000	447,000				
4	Construct Aircraft Modification Bldg. - Bluegrass Station					
PRJ0950060						
Restricted Funds	500,000	500,000				
Federal Funds	1,500,000	1,500,000				
Project Total	2,000,000	2,000,000				
5	Maintenance Pool					
PRJ0950062						
Investment Income	860,000	860,000		860,000		(860,000)
Project Total	860,000	860,000		860,000		(860,000)

A - Government Operations

Capital Budget

Military Affairs

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
6	Maintenance Pool - Bluegrass Station						
PRJ0950063							
	Restricted Funds	2,500,000	2,500,000		2,500,000	2,500,000	
	Project Total	2,500,000	2,500,000		2,500,000	2,500,000	
7	Maintenance Pool - Air Transportation						
PRJ0950064							
	Investment Income	450,000	450,000		450,000	450,000	
	Project Total	450,000	450,000		450,000	450,000	
8	Hanger/Warehouse/Office Buildings-Bluegrass Station						
PRJ0950068							
	Agency Bonds	12,020,000	12,020,000				
	Project Total	12,020,000	12,020,000				
9	Various Facilities-Deferred Maintenance						
PRJ0950069							
	Bond Funds	2,300,000	2,300,000				
	Project Total	2,300,000	2,300,000				
10	Aircraft Maintenance						
PRJ0950070							
	General Fund		150,000	150,000			
	Project Total		150,000	150,000			
14	Construct 30 New T-Hangers - Capital City Airport						
PRJ0950058							
	Investment Income	1,350,000		(1,350,000)			
	Project Total	1,350,000		(1,350,000)			
TOTAL CAPITAL		26,328,000	25,128,000	(1,200,000)	3,810,000	2,950,000	(860,000)

A - Government Operations

Operating Budget

Commission on Human Rights

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	1,904,300	1,904,300		1,904,300	1,904,300	
Restricted Funds	5,500	5,500		10,500	10,500	
Federal Funds	342,700	342,700		212,900	212,900	
Regular Total Funds	2,252,500	2,252,500		2,127,700	2,127,700	
Continuing						
TOTAL FUNDS	2,252,500	2,252,500		2,127,700	2,127,700	
II. EXPENDITURE CATEGORY						
Personnel Costs	2,003,800	2,003,800		1,914,400	1,914,400	
Operating Expenses	248,700	248,700		213,300	213,300	
TOTAL EXPENDITURES	2,252,500	2,252,500		2,127,700	2,127,700	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	1,904,300	1,904,300		1,904,300	1,904,300	
Restricted Funds	5,500	5,500		10,500	10,500	
Federal Funds	342,700	342,700		212,900	212,900	
Regular Total Funds	2,252,500	2,252,500		2,127,700	2,127,700	
Continuing						
TOTAL BASE LEVEL	2,252,500	2,252,500		2,127,700	2,127,700	

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Commission on Human Rights

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following change:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

A - Government Operations

Operating Budget

Commission on Women

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	263,200	263,200		263,200	263,200	
Restricted Funds	40,000	40,000		20,600	20,600	
Regular Total Funds	303,200	303,200		283,800	283,800	
Continuing						
TOTAL FUNDS	303,200	303,200		283,800	283,800	
II. EXPENDITURE CATEGORY						
Personnel Costs	244,700	244,700		246,400	246,400	
Operating Expenses	58,500	58,500		37,400	37,400	
TOTAL EXPENDITURES	303,200	303,200		283,800	283,800	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	263,200	263,200		263,200	263,200	
Restricted Funds	40,000	40,000		20,600	20,600	
Regular Total Funds	303,200	303,200		283,800	283,800	
Continuing						
TOTAL BASE LEVEL	303,200	303,200		283,800	283,800	

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Commission on Women

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following change.

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

A - Government Operations

Operating Budget

Local Government

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	11,629,300	13,947,300	2,318,000	13,770,400	14,988,400	1,218,000
Restricted Funds	1,707,300	1,707,300		742,600	742,600	
Federal Funds	52,430,800	52,430,800		52,430,800	52,430,800	
Regular Total Funds	65,767,400	68,085,400	2,318,000	66,943,800	68,161,800	1,218,000
Continuing						
TOTAL FUNDS	65,767,400	68,085,400	2,318,000	66,943,800	68,161,800	1,218,000
II. EXPENDITURE CATEGORY						
Personnel Costs	5,860,200	5,860,200		5,951,400	5,951,400	
Operating Expenses	1,301,500	1,301,500		1,108,100	1,108,100	
Grants, Loans, Benefits	58,545,700	60,395,700	1,850,000	59,884,300	59,884,300	
Debt Service		468,000	468,000		1,218,000	1,218,000
Capital Outlay	60,000	60,000				
TOTAL EXPENDITURES	65,767,400	68,085,400	2,318,000	66,943,800	68,161,800	1,218,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	11,629,300	11,629,300		13,770,400	13,770,400	
Restricted Funds	1,707,300	1,707,300		742,600	742,600	
Federal Funds	52,430,800	52,430,800		52,430,800	52,430,800	
Regular Total Funds	65,767,400	65,767,400		66,943,800	66,943,800	
Continuing						
TOTAL BASE LEVEL	65,767,400	65,767,400		66,943,800	66,943,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund		2,318,000	2,318,000		1,218,000	1,218,000
TOTAL ADDITIONAL		2,318,000	2,318,000		1,218,000	1,218,000
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN Community Economic Growth Grant Program						
ABR112A0009 To provide Debt Service on Bond Funded Capital Program.						
General Fund		468,000	468,000		468,000	468,000
Project Total		468,000	468,000		468,000	468,000
2 NEW Southeastern Regional Agricultural and Exposition Center in Corbin						
ABR112A0014 To provide Debt Service on Bond Funded Capital project.						
General Fund					559,000	559,000
Project Total					559,000	559,000

A - Government Operations**Operating Budget****Local Government**

			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
			Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
3	NEW	Hopkins County Exposition Center						
ABR112A0015	To make available grant funds.							
	General Fund			150,000	150,000			
Project Total				150,000	150,000			
4	NEW	Knox Partners Community Education Center						
ABR112A0016	To provide Debt Service on Bond Funded Capital project.							
	General Fund						96,000	96,000
Project Total							96,000	96,000
5	NEW	Union County Library Expansion						
ABR112A0017	To make available grant funds.							
	General Fund			500,000	500,000			
Project Total				500,000	500,000			
6	NEW	Uniontown Emergency Levee Repair						
ABR112A0018	To make available grant funds.							
	General Fund			100,000	100,000			
Project Total				100,000	100,000			
7	NEW	Union County Fairgrounds/Arnold Arena						
ABR112A0019	To make available grant funds.							
	General Fund			450,000	450,000			
Project Total				450,000	450,000			
8	NEW	Union County Jail						
ABR112A0020	To make available grant funds.							
	General Fund			650,000	650,000			
Project Total				650,000	650,000			
9	NEW	Louisville Science Center						
ABR112A0021	To provide Debt Service on Bond Funded Capital Project, provided for in HB 350.							
	General Fund						35,000	35,000
Project Total							35,000	35,000
10	NEW	E.P. Tom Sawyer Park						
ABR112A0022	To provide Debt Service on Bond Funded Capital Project, provided for in HB 350.							
	General Fund						22,000	22,000
Project Total							22,000	22,000

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A - Government Operations

Operating Budget

Local Government

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
11 NEW Louisville Zoo					
ABR112A0023	To provide Debt Service on Bond Funded Capital project, provided for in HB 350.				
General Fund				38,000	38,000
Project Total				38,000	38,000
TOTAL ADDITIONAL	2,318,000	2,318,000		1,218,000	1,218,000

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Local Government

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Governor's Office for Local Development, County Cemetery Fund, in the amount of \$35,100 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Flood Control Matching Fund Project Review: The Governor's Office for Local Development shall transmit a copy of the application for a flood-related project to be funded from the flood control matching fund to the Environmental and Public Protection Cabinet with a request for a review of the project pursuant to KRS Chapter 151."

"Cemetery Preservation: In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

Renaissance Kentucky- The Bill as Introduced includes \$2 million from the General Fund in fiscal year 2005-2006 to support new Renaissance Kentucky grants.

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Local Initiatives for a New Kentucky (LINK)- The Bill as Introduced recommends \$736,900 in each year of the biennium from the General Fund and \$276,300 in fiscal year 2004-2005 and \$224,300 in fiscal year 2005-2006 from Restricted Funds for the LINK program.

Reorganization- The Department for Local Government was abolished and replaced by the Governor's Office for Local Development (GOLD). The reorganization moved under GOLD's structure: the Kentucky Infrastructure Authority, East and West Kentucky Corporations, Renaissance Kentucky and the Single County Local Government Economic Development Initiative programs.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly amends, the State Executive Branch Budget Bill, Part I, Operating Budget, language provision as follows:

"Richmond Arts Center: Included in the above General Fund appropriation is \$100,000 in fiscal year 2004-2005, and \$100,000 in fiscal year 2005-2006, for a grant to the Richmond Arts Center."

"Hopkins County Exposition Center: Included in the above General Fund appropriation is \$150,000 in fiscal year 2004-2005 for planning and design of an Exposition Center in Hopkins County."

"Funding Requirement: The recipient of the Coal Severance Tax Projects funds shall certify to the Governor's Office for Local Development that they have identified and applied for all available sources of funding for the line item project."

"Knox Partners Community Education Center: Included in the above General Fund appropriation is \$96,000 in fiscal year 2005-2006 to support the debt service for \$2,000,000 in Bond Funds for the Knox Partners Community Education Center."

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Local Government

"Union County Library Expansion: Included in the above General Fund appropriation is \$500,000 in fiscal year 2004-2005 for expansion of the Union County Library."

"Uniontown Emergency Levee Repair: Included in the above General Fund appropriation is \$100,000 in fiscal year 2004-2005 for emergency repair of the Uniontown Levee."

"Union County Fairgrounds/Arnold Arena : Included in the above General Fund appropriation is \$450,000 in fiscal year 2004-2005 for building a staging area for the Union County Fairgrounds and Exposition Center/Arnold Arena."

"Union County Jail: Included in the above General Fund appropriation is \$650,000 in fiscal year 2004-2005 for property purchase and design of a new jail in Union County."

"Cemetery Preservation: In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account. The funds shall be made available for grants for cemetery preservation initiatives, including, but not limited to, the Fayette County African Cemetery #2 and the Fayette County Cove Haven Cemetery. Grants are subject to a one-to-one dollar local cash match that is certified to the Governor's Office for Local Development, or an in-kind match authorized and certified by the Governor's Office for Local Development. Grant applications may be made by an agency of the Commonwealth; a city, county, urban-county, charter county, or consolidated local government; a not-for-profit cemetery; a not-for-profit historical or genealogical organization; or a not-for-profit local community or civic group."

"Community Economic Growth Grant Program: Included in the above General Fund appropriation is \$468,000 in fiscal year 2004-2005 and \$468,000 in fiscal year 2005-2006 for debt service on \$5,000,000 Bond Funds in fiscal year 2004-2005 and \$5,000,000 in fiscal year 2005-2006 to support the Community Economic Growth Grant Program. This grant program is created to assist counties, cities, special districts, or local school districts with funding of projects that will enhance the economic development of their community.

The Community Economic Growth Grant Program shall be administered by the Governor's Office for Local Development and maintained in the State Treasury. The department may receive state appropriations, gifts, grants, and federal funds that shall be disbursed by the State Treasurer upon the warrant of the Commissioner of the Governor's Office for Local Development.

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Local Government

Notwithstanding KRS 45.229, any funds remaining at the end of a fiscal year shall not lapse and shall be available for expenditure in the subsequent fiscal year.

Moneys in the fund shall be used for capital projects that contribute to community or industrial development in the Commonwealth.

Capital projects eligible for financing out of the fund may include but not be limited to:

- (a) The construction, reconstruction, renovation, and maintenance of buildings and other improvements to real estate and the architectural, engineering, legal, and other expenses required;
- (b) The acquisition of real property and interests in real property;
- (c) The purchase of major equipment;
- (d) Industrial site development projects, including land reclamation, clearing, grading, draining, landscaping, and construction of walkways and fences;
- (e) The extension, installation, and upgrading of water, gas, sewer, and electrical utilities to public facilities and industrial sites;
- (f) To match or use in combination with funds obtained from other sources for an eligible capital improvement project.

Any county, city, special district, or local school district governing body shall submit proposals through its Area Development District for consideration by the Commissioner of the Governor's Office for Local Development. The Area Development District shall provide a recommendation on each proposal and forward the proposal to the Commissioner of the Department for Local Government for final consideration and action.

Project proposals shall include: a detailed description of the project; a statement of the public benefit derived from the project; design plans and specifications, if applicable; an itemized estimate of the cost of the project; source of other funds or in-kind match; and other information that the Governor's Office for Local Development may require.

Annually, by October 1 each year, the Commissioner of the Governor's Office for Local Development shall report on this program to the Interim Joint Committee on Appropriations and Revenue."

"Southeastern Regional Agricultural and Exhibition Center in Corbin: Included in the General Fund appropriation is \$559,000 for debt service in fiscal year 2005-2006 for \$12,000,000 in Bond Funds for the Southeastern Regional Agricultural and Exhibition Center in Corbin."

The General Assembly amends the Executive Branch Budget Bill, Part II, Capital Projects Budget by adding \$1,000,000 General Fund in fiscal year 2004-2005 for the James E. Bruce Convention Center in Christian County, \$5,000,000 Bond Funds in each fiscal year for the Community Economic Growth Program, \$12,000,000 in Bond Funds in fiscal year 2004-2005 for the Southeastern Regional Agricultural and Exhibition Center in Corbin, and \$2,000,000 in Bond Funds in fiscal year 2004-2005 for the Knox Partners Community Education Center.

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ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 350, Section 9, provides the following: "(1) There is hereby appropriated from the General fund to the Governor's Office for Local Development \$35,000 in fiscal year 2005-2006 for debt service for \$700,000 in new bonding authority to support the Louisville Science Center."

House Bill 350, Section 9, provides the following: "(2) There is hereby appropriated from the General fund to the Governor's Office for Local Development \$22,000 in fiscal year 2005-2006 for debt service for \$400,000 in new bonding authority to support the E.P. Tom Sawyer Park."

House Bill 350, Section 9, provides the following: "(3) There is hereby appropriated from the General fund to the Governor's Office for Local Development \$38,000 in fiscal year 2005-2006 for debt service for \$750,000 in new bonding authority to support the Louisville Zoo."

A - Government Operations

Capital Budget

Local Government

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund		1,000,000	1,000,000			
Restricted Funds	1,500,000	1,500,000		1,500,000	1,500,000	
Bond Funds		20,850,000	20,850,000		5,000,000	5,000,000
TOTAL CAPITAL	1,500,000	23,350,000	21,850,000	1,500,000	6,500,000	5,000,000
II. CAPITAL PROJECTS						
1	Flood Control Matching Program					
PRJ112A0001						
Restricted Funds	1,500,000	1,500,000		1,500,000	1,500,000	
Project Total	1,500,000	1,500,000		1,500,000	1,500,000	
2	Community Economic Growth Program					
PRJ112A0005						
Bond Funds		5,000,000	5,000,000		5,000,000	5,000,000
Project Total		5,000,000	5,000,000		5,000,000	5,000,000
3	Southeastern Regional Agricultural and Exhibition Center in Corbin					
PRJ112A0006						
Bond Funds		12,000,000	12,000,000			
Project Total		12,000,000	12,000,000			
4	James E. Bruce Convention Center in Christian County					
PRJ112A0004						
General Fund		1,000,000	1,000,000			
Project Total		1,000,000	1,000,000			
5	Knox Partners Community Education Center					
PRJ112A0007						
Bond Funds		2,000,000	2,000,000			
Project Total		2,000,000	2,000,000			
6	Louisville Science Center					
PRJ112A0008						
Bond Funds		700,000	700,000			
Project Total		700,000	700,000			

A - Government Operations

Capital Budget

Local Government

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
7	E.P. Tom Sawyer Park						
PRJ112A0009							
Bond Funds			400,000	400,000			
Project Total			400,000	400,000			
8	Louisville Zoo						
PRJ112A0010							
Bond Funds			750,000	750,000			
Project Total			750,000	750,000			
TOTAL CAPITAL		1,500,000	23,350,000	21,850,000	1,500,000	6,500,000	5,000,000

A - Government Operations

Operating Budget

Special Funds

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
Regular Total Funds	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
Continuing						
TOTAL FUNDS	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
II. EXPENDITURE CATEGORY						
Grants, Loans, Benefits	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
TOTAL EXPENDITURES	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
Regular Total Funds	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
Continuing						
TOTAL BASE LEVEL	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000
VI. EXPENDITURES BY UNIT						
Local Government Economic Assistance Fund						
General Fund	42,781,100	42,781,100		41,977,900	41,977,900	
Local Government Economic Development Fund						
General Fund	38,048,400	38,048,400		24,509,800	32,509,800	8,000,000
Area Development Fund						
General Fund	809,700	809,700		809,700	809,700	
TOTAL	81,639,200	81,639,200		67,297,400	75,297,400	8,000,000

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BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Local Government Economic Development Fund in the amount of \$16,377,100 in fiscal year 2004-2005 and \$8,542,900 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Coal Severance Tax Collections Calculations and Transfers : The above appropriations from the General Fund are based on the official estimate presented by the Office of State Budget Director for coal severance tax collections during the biennium, distributed in accordance with KRS 42.450 to 42.495."

"Trover Clinic Grant : Notwithstanding KRS 42.4585, the quarterly calculation and transfer of the funds shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 has been credited to the Trover Clinic Grant within the Governor's Office for Local Government."

"Community Development Office: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$138,800 in fiscal year 2004-2005 and \$271,200 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Community Development Office in the Governor's Office for Local Development."

"Department for Regional Development : Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly

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installment of the annual appropriation of \$251,900 in fiscal year 2004-2005 and \$256,200 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Department for Regional Development within the Cabinet for Economic Development."

"Governor's Office for Local Development: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$503,500 in fiscal year 2004-2005 and \$512,300 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Governor's Office for Local Development."

"Tourism Marketing Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Tourism Marketing Program in the Commerce Cabinet."

"Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Read to Achieve Program in the Department for Education."

"School Learning Performance Fund: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$8,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Department of Education."

"Drug Courts: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Drug Courts Program in the Office of Drug Control Policy, Justice Administration budget unit.

Notwithstanding KRS 42.4588, \$1,000,000 in fiscal year 2005-2006 shall be transferred from the Local Government Economic Development Fund Multi-County Fund to the Office of Drug Control Policy, Justice Administration budget unit."

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"Kentucky Wood Products Competitiveness Corporation: Notwithstanding KRS 42.4586, no funds shall be transferred to the Secondary Wood Products Development Fund."

"Kentucky Workers' Compensation Funding Commission: Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2004-2005 and fiscal year 2005-2006."

"High-Tech Construction and High-Tech Investment Pools: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,625,000 in fiscal year 2004-2005 and \$3,500,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Office for the New Economy. These funds shall be allocated to the high-tech construction and high-tech investment pools created under KRS 154.12-278. Notwithstanding KRS 42.4588(4) and (5), these funds shall be used for projects and programs recommended by the Department of Innovation and Commercialization for a Knowledge-Based Economy in the Economic Development Cabinet. The projects identified are limited to research and development, commercialization, education innovation, or work-related initiatives consistent with the character of the high-tech construction and high-tech investment pools administered by the Department of Innovation and Commercialization for a Knowledge-Based Economy. Investment and construction pool projects shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties."

"School Facilities Construction Commission: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund in fiscal year 2004-2005 shall be made only after funds totaling \$3,235,500, and in fiscal year 2005-2006 shall be made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the School Facilities Construction Commission to provide debt service to support previously authorized bonds."

"Kentucky Infrastructure Authority: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,095,100 in fiscal year 2004-2005 and \$4,091,900 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit to provide General Fund debt service to support previously authorized bonds for the Water and Sewer Resources Development Fund for Coal-Producing Counties."

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Local Government - Special Funds

"Debt Service: All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there are sufficient moneys available to be transferred from coal severance tax-supported funding program accounts to other accounts of the General Fund."

"Flood Matching Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,500,000 in fiscal year 2004-2005 and fiscal year 2005-2006 is appropriated as General Fund moneys to the Governor's Office for Local Development."

"Parameters for County Flexibility: Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations to each coal-producing county may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

"Appropriation Limit: Notwithstanding KRS 48.185, funds appropriated from the General Fund for the Area Development Fund shall be limited to these amounts."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provisions as follows:

"Surface Mining Bond Pool Fund: Notwithstanding KRS 42.4588, \$3,840,000 in fiscal year 2004-2005 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Department of Surface Mining Reclamation and

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Local Government - Special Funds

Enforcement, Environmental and Public Protection Cabinet, Surface Mining Bond Pool Fund, to assure compliance with federal requirements."

"Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$1,500,000 in fiscal year 2005-2006 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy for Operation Unite in relation to the federal Task Force on Drug Abuse."

"Project Identification: Notwithstanding KRS 42.4588(2) and (4), projects authorized and appropriated from the Local Government Economic Development Fund moneys from the respective single county fund pursuant to KRS 42.4592 are identified in Volume Ia of the State/Executive Branch Budget Memorandum."

"School Facilities Construction Commission: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund in fiscal year 2004-2005 shall be made only after funds totaling \$3,232,500, and in fiscal year 2005-2006 shall be made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the School Facilities Construction Commission to provide debt service to support previously authorized bonds."

"Osteopathic Scholarship Program: Notwithstanding KRS 42.4582, the quarterly calculation and transfer of moneys from the General Fund to the Local Government Economic Development Fund pursuant to KRS 42.4582 shall be made only after each quarterly installment of the annual appropriation of \$1,255,300 in fiscal year 2004-2005 and \$1,318,500 in fiscal year 2005-2006 has been credited to the Osteopathic Scholarship Program within the Kentucky Higher Education Assistance Authority."

"Tourism Marketing Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006 is appropriated as General Fund moneys to the Tourism Marketing Program in the Commerce Cabinet. Fees for professional artists and entertainers performing on the Kentucky Music Trail may be paid for from the Tourism Marketing Program along with other activities, marketing, and promotions in the Commerce Cabinet aimed at promoting tourism in coal-producing counties."

"Parameters for County Flexibility: Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations to each coal-producing county, above the amounts specified through line item appropriations by the General Assembly, may be used

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Local Government - Special Funds

to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate."

"Parameters for Flexibility of Local Government Economic Development Fund, Multi-County Fund: Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund, Multi-County Fund allocations may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development."

"KIA Infrastructure for Economic Development Fund for Coal-Producing Counties: Notwithstanding KRS 42.4588, \$3,725,000 in fiscal year 2004-2005 shall be transferred from the Local Government Economic Development Fund, Multi-County Fund to the General Fund to be used by the Kentucky Infrastructure Authority to provide debt service to support Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing Counties, Bond Pool."

The General Assembly amends Part V, Fund Transfers, to include: \$3,725,000 in fiscal year 2004-2005, from the Local Government Economic Development Fund, Multi-County Account.

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A - Government Operations

Operating Budget

Executive Branch Ethics Commission

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	351,500	351,500		351,500	351,500	
Restricted Funds	2,400	2,400		2,400	2,400	
Regular Total Funds	353,900	353,900		353,900	353,900	
Continuing						
TOTAL FUNDS	353,900	353,900		353,900	353,900	
II. EXPENDITURE CATEGORY						
Personnel Costs	345,700	345,700		353,400	353,400	
Operating Expenses	8,200	8,200		500	500	
TOTAL EXPENDITURES	353,900	353,900		353,900	353,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	351,500	351,500		351,500	351,500	
Restricted Funds	2,400	2,400		2,400	2,400	
Regular Total Funds	353,900	353,900		353,900	353,900	
Continuing						
TOTAL BASE LEVEL	353,900	353,900		353,900	353,900	

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Executive Branch Ethics Commission

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

A - Government Operations

Operating Budget

Secretary of State

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	2,224,000	2,224,000		2,224,000	2,224,000	
Restricted Funds	802,900	802,900		802,900	802,900	
Regular Total Funds	3,026,900	3,026,900		3,026,900	3,026,900	
Continuing						
TOTAL FUNDS	3,026,900	3,026,900		3,026,900	3,026,900	
II. EXPENDITURE CATEGORY						
Personnel Costs	2,367,900	2,367,900		2,412,600	2,412,600	
Operating Expenses	659,000	659,000		614,300	614,300	
TOTAL EXPENDITURES	3,026,900	3,026,900		3,026,900	3,026,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	2,224,000	2,224,000		2,224,000	2,224,000	
Restricted Funds	802,900	802,900		802,900	802,900	
Regular Total Funds	3,026,900	3,026,900		3,026,900	3,026,900	
Continuing						
TOTAL BASE LEVEL	3,026,900	3,026,900		3,026,900	3,026,900	

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Secretary of State

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Limited Liability Companies (KRS 14.140) of \$2,020,600 in fiscal year 2004-2005 and \$1,000,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Carry Forward of Restricted Funds Appropriation Balance: Notwithstanding KRS 14.140, the above Restricted Funds appropriations shall not lapse and shall be used for the continuation of current activities within the General Administration unit and for the operations and staff of the Uniform Commercial Code Branch."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly provides a Part V, Funds Transfer, Limited Liability Companies (KRS 14.140) of \$2,202,800 in fiscal year 2004-2005.

A - Government Operations

Operating Budget

Board of Elections

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	6,091,000	6,091,000		3,046,400	3,046,400	
Restricted Funds	101,200	101,200		57,100	57,100	
Federal Funds	9,000,000	9,000,000		1,000,000	1,000,000	
Regular Total Funds	15,192,200	15,192,200		4,103,500	4,103,500	
Continuing	(626,300)	(626,300)				
TOTAL FUNDS	14,565,900	14,565,900		4,103,500	4,103,500	
II. EXPENDITURE CATEGORY						
Personnel Costs	1,065,500	1,065,500		1,089,100	1,089,100	
Operating Expenses	698,900	698,900		588,400	588,400	
Grants, Loans, Benefits	12,801,500	12,801,500		2,426,000	2,426,000	
TOTAL EXPENDITURES	14,565,900	14,565,900		4,103,500	4,103,500	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	6,091,000	6,091,000		3,046,400	3,046,400	
Restricted Funds	101,200	101,200		57,100	57,100	
Federal Funds	9,000,000	9,000,000		1,000,000	1,000,000	
Regular Total Funds	15,192,200	15,192,200		4,103,500	4,103,500	
Continuing	(626,300)	(626,300)				
TOTAL BASE LEVEL	14,565,900	14,565,900		4,103,500	4,103,500	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Board of Elections

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Help America Vote Act of 2002: Included in the above General Fund appropriation is \$1,100,000 in fiscal year 2004-2005 to match Federal Funds from the Help America Vote Act. Notwithstanding KRS 45.229, any unexpended balance from the General Fund appropriation of \$1,100,000 to match those Federal Funds shall not lapse and shall carry forward to fiscal year 2005-2006. Amounts in excess of those included in the General Fund appropriation for this purpose, not to exceed \$1,250,000, shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

"Cost of Elections: Included in the above General Fund appropriation is \$3,434,800 in fiscal year 2004-2005 and \$1,479,500 in fiscal year 2005-2006 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.112(7), 116.145, and 117.343). Notwithstanding KRS 117.345(2), the maximum state payment rate is increased from the current statutory level of \$255 to \$300 per precinct per election to each precinct using voting machines. Any amount that the state is required to pay for precinct election expenses under the provisions of KRS 116.112(7), 116.145, 117.343, and 117.345 shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following change:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

A - Government Operations

Operating Budget

Registry of Election Finance

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	1,409,500	1,409,500		1,409,500	1,409,500	
Restricted Funds				118,000	118,000	
Regular Total Funds	1,409,500	1,409,500		1,527,500	1,527,500	
Continuing						
TOTAL FUNDS	1,409,500	1,409,500		1,527,500	1,527,500	
II. EXPENDITURE CATEGORY						
Personnel Costs	1,079,800	1,079,800		1,144,700	1,144,700	
Operating Expenses	329,700	329,700		382,800	382,800	
TOTAL EXPENDITURES	1,409,500	1,409,500		1,527,500	1,527,500	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	1,409,500	1,409,500		1,409,500	1,409,500	
Restricted Funds				118,000	118,000	
Regular Total Funds	1,409,500	1,409,500		1,527,500	1,527,500	
Continuing						
TOTAL BASE LEVEL	1,409,500	1,409,500		1,527,500	1,527,500	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Registry of Election Finance

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Election Campaign Fund (KRS 121A.020) of \$539,600 in fiscal year 2004-2005.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following change:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

A - Government Operations

Operating Budget

Attorney General

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	13,026,200	13,276,200	250,000	13,486,000	13,736,000	250,000
Restricted Funds	9,225,200	9,225,200		8,648,800	8,648,800	
Federal Funds	2,817,900	2,817,900		2,715,000	2,715,000	
Regular Total Funds	25,069,300	25,319,300	250,000	24,849,800	25,099,800	250,000
Continuing						
TOTAL FUNDS	25,069,300	25,319,300	250,000	24,849,800	25,099,800	250,000
II. EXPENDITURE CATEGORY						
Personnel Costs	16,788,200	17,038,200	250,000	17,025,900	17,275,900	250,000
Operating Expenses	3,324,400	3,324,400		2,798,900	2,798,900	
Grants, Loans, Benefits	4,956,700	4,956,700		5,025,000	5,025,000	
TOTAL EXPENDITURES	25,069,300	25,319,300	250,000	24,849,800	25,099,800	250,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	13,026,200	13,026,200		13,486,000	13,486,000	
Restricted Funds	9,225,200	9,225,200		8,648,800	8,648,800	
Federal Funds	2,817,900	2,817,900		2,715,000	2,715,000	
Regular Total Funds	25,069,300	25,069,300		24,849,800	24,849,800	
Continuing						
TOTAL BASE LEVEL	25,069,300	25,069,300		24,849,800	24,849,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund		250,000	250,000		250,000	250,000
TOTAL ADDITIONAL		250,000	250,000		250,000	250,000
V. ADDITIONAL BUDGET ITEMS						
5 EXPAN Additional Staffing Resources						
ABR0400007 Provide funds for additional personnel and operating expenditures.						
General Fund		250,000	250,000		250,000	250,000
Project Total		250,000	250,000		250,000	250,000
TOTAL ADDITIONAL		250,000	250,000		250,000	250,000

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Attorney General

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses pursuant to KRS 304.17A-095 and 367.150(8). Upon justification of the request, the Finance and Administration Cabinet shall approve up to \$275,000 for the 2004-2006 fiscal biennium for this purpose to the Office of the Attorney General. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Annual and Sick Leave Service Credit: Notwithstanding any statutory or regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial System who has been appointed to a permanent full-time position under KRS Chapter 18A shall be credited annual and sick leave based on service credited under the Kentucky Retirement System solely for the purpose of computation of sick and annual leave. This provision shall only apply to any new appointment or current employee as of July 1, 1998."

"Child Sexual Abuse License Plate Revenue: Notwithstanding KRS 186.1867, the Transportation Cabinet shall review the costs related to the distribution of child victims' license plates. Any revenue received from the sale or renewal of those plates in excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual basis."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services."

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Attorney General

"County Cemetery Fund: In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5)(b), any amounts in excess of \$500,000 shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

"Fraud and Abuse Revenue Recovery: Included in the above General Fund appropriation is \$359,800 in fiscal year 2005-2006 for the Medicaid Fraud and Abuse Control Unit and for the average wholesale price litigation in order to enhance revenue recovery for the Commonwealth."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly revises Part I, Operating Budget, language provisions as follows:

"Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall approve up to \$275,000 for the 2004-2006 fiscal biennium for this purpose to the Office of the Attorney General. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095."

"Legal Services Contracts: The Office of the Attorney General may present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney General to perform the legal work and compensate the Office of the Attorney General for the legal services. Notwithstanding KRS 45A, the Office of the Attorney General may contract with outside law firms on a contingency basis."

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Attorney General

"County Cemetery Fund: In the 2004-2006 biennium, up to \$500,000 in funds collected pursuant to KRS 48.005(5) shall be appropriated and transferred to the County Cemetery Fund. Notwithstanding KRS 48.005(5), the Office of the Attorney General may first recover reasonable costs of litigation. Notwithstanding KRS 48.005(5)(b), any remaining funds shall be deposited in the General Fund Surplus Account. The Attorney General shall provide notice to the Governor's Office for Policy and Management and the Legislative Research Commission of the nature of any funds deposited in this account."

The General Assembly adds to Part I, Operating Budget, language provisions as follows:

"Civil Services - Salary Equity Compensation: The Office of the Attorney General is authorized to issue eligible attorneys salary equity compensation at the discretion of the Attorney General."

"Additional Staffing Resources: Additional General Fund support totaling \$250,000 in fiscal year 2004-2005 and \$250,000 in fiscal year 2005-2006 is provided for additional staffing resources."

A - Government Operations

Capital Budget

Attorney General

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 Lease - Franklin County

PRJ0400001

General Fund

Project Total

TOTAL CAPITAL

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FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

A - Government Operations

Operating Budget

Unified Prosecutorial System Summary

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	50,822,000	50,822,000		52,552,400	53,355,000	802,600
Restricted Funds	388,200	388,200		335,900	335,900	
Federal Funds	996,900	996,900		1,024,900	1,024,900	
Regular Total Funds	52,207,100	52,207,100		53,913,200	54,715,800	802,600
Continuing						
TOTAL FUNDS	52,207,100	52,207,100		53,913,200	54,715,800	802,600

II. EXPENDITURE CATEGORY

Personnel Costs	46,766,700	46,766,700		48,435,300	49,237,900	802,600
Operating Expenses	5,405,400	5,405,400		5,442,900	5,442,900	
Grants, Loans, Benefits	35,000	35,000		35,000	35,000	
TOTAL EXPENDITURES	52,207,100	52,207,100		53,913,200	54,715,800	802,600

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	50,822,000	50,822,000		52,552,400	52,552,400	
Restricted Funds	388,200	388,200		335,900	335,900	
Federal Funds	996,900	996,900		1,024,900	1,024,900	
Regular Total Funds	52,207,100	52,207,100		53,913,200	53,913,200	
Continuing						
TOTAL BASE LEVEL	52,207,100	52,207,100		53,913,200	53,913,200	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund					802,600	802,600
TOTAL ADDITIONAL					802,600	802,600

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A - Government Operations

Operating Budget

Commonwealth's Attorneys

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	27,842,100	27,842,100		28,588,300	28,850,900	262,600
Restricted Funds	350,000	350,000		311,500	311,500	
Federal Funds	605,200	605,200		633,200	633,200	
Regular Total Funds	28,797,300	28,797,300		29,533,000	29,795,600	262,600
Continuing						
TOTAL FUNDS	28,797,300	28,797,300		29,533,000	29,795,600	262,600
II. EXPENDITURE CATEGORY						
Personnel Costs	24,566,800	24,566,800		25,236,600	25,499,200	262,600
Operating Expenses	4,195,500	4,195,500		4,261,400	4,261,400	
Grants, Loans, Benefits	35,000	35,000		35,000	35,000	
TOTAL EXPENDITURES	28,797,300	28,797,300		29,533,000	29,795,600	262,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	27,842,100	27,842,100		28,588,300	28,588,300	
Restricted Funds	350,000	350,000		311,500	311,500	
Federal Funds	605,200	605,200		633,200	633,200	
Regular Total Funds	28,797,300	28,797,300		29,533,000	29,533,000	
Continuing						
TOTAL BASE LEVEL	28,797,300	28,797,300		29,533,000	29,533,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					262,600	262,600
TOTAL ADDITIONAL					262,600	262,600
V. ADDITIONAL BUDGET ITEMS						
2 EXPAN Additional Staffing Resources						
ABR030A0002 Provide General Fund support for additional staffing resources.						
General Fund					262,600	262,600
Project Total					262,600	262,600
TOTAL ADDITIONAL					262,600	262,600

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Commonwealth's Attorneys

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Prosecutors Advisory Council Administrative Functions: The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act."

"Caseload Management: Included in the above General Fund appropriation is \$450,000 in fiscal year 2005-2006 to provide assistance in handling increasing caseloads in Commonwealth's Attorneys' offices statewide."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly adds to Part I, Operating Budget, a language provision as follows:

"Additional Staffing Resources: Additional General Fund support totaling \$262,600 in fiscal year 2005-2006 is provided for additional staffing resources."

A - Government Operations**Capital Budget****Commonwealth's Attorneys**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference

II. CAPITAL PROJECTS**1 Lease - Jefferson County**

PRJ030A0001

General Fund

Project Total**TOTAL CAPITAL**

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A - Government Operations

Operating Budget

County Attorneys

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	22,979,900	22,979,900		23,964,100	24,504,100	540,000
Restricted Funds	38,200	38,200		24,400	24,400	
Federal Funds	391,700	391,700		391,700	391,700	
Regular Total Funds	23,409,800	23,409,800		24,380,200	24,920,200	540,000
Continuing						
TOTAL FUNDS	23,409,800	23,409,800		24,380,200	24,920,200	540,000
II. EXPENDITURE CATEGORY						
Personnel Costs	22,199,900	22,199,900		23,198,700	23,738,700	540,000
Operating Expenses	1,209,900	1,209,900		1,181,500	1,181,500	
TOTAL EXPENDITURES	23,409,800	23,409,800		24,380,200	24,920,200	540,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	22,979,900	22,979,900		23,964,100	23,964,100	
Restricted Funds	38,200	38,200		24,400	24,400	
Federal Funds	391,700	391,700		391,700	391,700	
Regular Total Funds	23,409,800	23,409,800		24,380,200	24,380,200	
Continuing						
TOTAL BASE LEVEL	23,409,800	23,409,800		24,380,200	24,380,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					540,000	540,000
TOTAL ADDITIONAL					540,000	540,000
V. ADDITIONAL BUDGET ITEMS						
2 EXPAN Additional Staffing Resources						
ABR030B0002 Provide General Fund support for additional staffing resources.						
General Fund					540,000	540,000
Project Total					540,000	540,000
TOTAL ADDITIONAL					540,000	540,000

**Fiscal Biennium 2004-2006
Budget Modification Report**

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County Attorneys

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Prosecutors Advisory Council Administrative Functions: The Prosecutors Advisory Council shall approve compensation for employees of the Unified Prosecutorial System subject to the appropriations in this Act."

"Caseload Management: Included in the above General Fund appropriation is \$450,000 in fiscal year 2005-2006 to provide assistance in handling increasing caseloads in County Attorneys' offices statewide."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly adds to Part I, Operating Budget, a language provision as follows:

"Additional Staffing Resources: Additional General Fund support totaling \$540,000 in fiscal year 2005-2006 is provided for additional staffing resources."

A - Government Operations

Operating Budget

Treasury

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	2,047,700	2,047,700		1,941,600	1,941,600	
Restricted Funds	778,600	778,600		793,300	793,300	
Road Fund	250,000	250,000		250,000	250,000	
Regular Total Funds	3,076,300	3,076,300		2,984,900	2,984,900	
Continuing						
TOTAL FUNDS	3,076,300	3,076,300		2,984,900	2,984,900	
II. EXPENDITURE CATEGORY						
Personnel Costs	2,203,100	2,203,100		2,206,500	2,206,500	
Operating Expenses	873,200	873,200		778,400	778,400	
TOTAL EXPENDITURES	3,076,300	3,076,300		2,984,900	2,984,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	2,047,700	2,047,700		1,941,600	1,941,600	
Restricted Funds	778,600	778,600		793,300	793,300	
Road Fund	250,000	250,000		250,000	250,000	
Regular Total Funds	3,076,300	3,076,300		2,984,900	2,984,900	
Continuing						
TOTAL BASE LEVEL	3,076,300	3,076,300		2,984,900	2,984,900	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Treasury

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Unclaimed Property (KRS 393.250(1)) of \$20,500 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Unclaimed Property Fund: Included in the above Restricted Funds appropriation is a recurring transfer from the Unclaimed Property Fund. In each respective fiscal year of the 2004-2006 fiscal biennium, \$778,600 and \$793,300 is appropriated to provide funding for services performed by the Unclaimed Property Division of the Department of the Treasury."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly adds and revises a Part I, Operating Budget, language provision as follows:

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Treasury

"Unclaimed Property Reporting and Disposition Procedures: Notwithstanding KRS 48.310, the following statutes are amended to read as follows and shall have permanent effect, subject to future actions by the General Assembly:

Section 1. KRS 393.110 is amended to read as follows:

The department shall promulgate administrative regulations prescribing the reports which shall be filed with the department by persons holding property presumed abandoned, including the date for filing reports, the contents of the reports, the coverage period of the reports, identifying information concerning the property and presumptive owner if known, the manner in which property shall be transferred from the person holding it to the department, requirements for providing notice to a person who may be the owner of property presumed abandoned, legal actions that may be taken to claim property presumed abandoned, and any other necessary and relevant information needed by the department to carry out the responsibilities concerning unclaimed property prescribed in this chapter. The department shall, notwithstanding KRS 424.180 and 424.190, provide on an annual basis notice or published advertisement of property transferred to it. Any procedures prescribed by the department in accordance with this subsection shall employ the most cost-effective methods available for the submission of reports to the department and the notice or advertisement of property transferred to the department~~[(1) — A holder of property presumed abandoned shall make an annual report to the department concerning the property. The report shall be filed on or before November 1 of each year and shall cover the twelve (12) months ending on July 1 of that year. All property so reported shall be turned over by November 1 to the department. The report shall be verified and shall include:~~

- ~~(a) — Except with respect to travelers' checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of one hundred dollars (\$100) or more presumed abandoned under this chapter and in the case of unclaimed funds of life insurance~~

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Treasury

~~corporations, the full name of the insured or annuitant and his last known address according to the records of the life insurance corporation;~~

~~(b) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under one hundred dollars (\$100) each may be reported in the aggregate. The holder of abandoned property shall maintain its records for a period of five (5) years from the date of its report for items reported in the aggregate. If the owner of property reported in the aggregate makes a valid claim within five (5) years, the holder shall refund the property and deduct the amount refunded from the next report due to the department;~~

~~(c) The date when the property became payable, demandable, or returnable, and the date of the last known transaction with the owner with respect to the property if readily available; and~~

~~(d) Any other information which the department prescribes by administrative regulations necessary for the administration of this chapter.~~

~~— The report shall be retained by the department. The department shall publish, in accordance with KRS Chapter 424, an annual advertisement listing the names of persons included in the report. The cost of the publication shall be paid by the state. The list shall be published as required on or before October 1 following the year when it is made, and the publishing shall be constructive notice to all interested parties.~~

~~(2) The holder of property presumed abandoned shall send written notice to the apparent owner, not more than one hundred twenty (120) days or less than sixty (60) days before filing the report, stating that the holder is in possession of the property subject to~~

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~~this section; except the holder shall not be required to mail a notice to any apparent owner where the fair cash value of the property is one hundred dollars (\$100) or less. The notice shall contain:~~

- ~~(a) — A statement that according to a report filed with the department properties are being held to which the addressee appears entitled;~~
- ~~(b) — The name and address of the person holding the property and any necessary information regarding changes of name and address of the holder; and~~
- ~~(c) — A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the department to whom all further claims must be directed.~~

~~(3) — Any person who has made a report of any estate or property presumed abandoned, as required by this chapter, shall, by November 1 of each year, turn over to the department all property so reported; but if the person making the report or the owner of the property shall certify to the department that any or all of the statutory conditions necessary to create a presumption of abandonment no longer exist or never did exist, or shall report the existence of any fact or circumstance which has a substantial tendency to rebut the presumption, then, the person reporting or holding the property shall not be required to turn the property over to the department except on order of court. If a person files an action in court claiming any property which has been reported under the provisions of this chapter, the person reporting or holding the property shall be under no duty while the action is pending to turn the property over to the department, but shall have the duty of notifying the department of the pendency of the action.~~

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~~(4) The person reporting or holding the property or any claimant of it shall always have the right to a judicial determination of his rights under this chapter, and nothing in this chapter shall be construed otherwise. The Commonwealth may institute an action to recover the property presumed abandoned, whether it has been reported or not, and may include in one (1) petition all the property within the jurisdiction of the court in which the action is brought if the property of different persons is set out in separate paragraphs].~~

Section 2. KRS 393.280 is amended to read as follows:

- (1) The department, through its employees, may at reasonable times and upon reasonable notice examine all relevant records of any person except any banking organization or financial organization where there is reason to believe that there has been or is a failure to report property that should be reported under this chapter during the preceding reporting period. Records shall be considered relevant to the examination of the preceding reporting period if they document the period necessary, for that type of property, to establish presumed abandonment. **The Department may avail itself of enforcement technologies and programs designed to increase compliance among businesses with Kentucky's Unclaimed Property Law.**
- (2) The Department of Financial Institutions may at reasonable times and upon reasonable notice examine all relevant records of any banking organization or financial organization if there is reason to believe that there has been or is a failure to report property that should be reported under this chapter during the preceding reporting period.
- (3) Documents and working papers obtained or compiled by the department or the Department of Financial Institutions in the course of conducting an examination are confidential and are not open records under KRS 61.870 to 61.884.
- (4) The State Treasurer may promulgate administrative regulations pursuant to KRS Chapter 13A and any reasonable and necessary

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rules for the enforcement of this chapter, and govern hearings held before him. He may delegate in writing to any employee of the department authority to perform any of the duties imposed on him by this chapter, except the promulgation of rules."

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A - Government Operations

Capital Budget

Treasury

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund				140,700	140,700	
Capital Construction Sur	63,000	63,000		63,000	63,000	
TOTAL CAPITAL	63,000	63,000		203,700	203,700	
II. CAPITAL PROJECTS						
1	Checksealer Equipment - Lease - Additional					
PRJ1250055						
Capital Construction Sur	63,000	63,000		63,000	63,000	
Project Total	63,000	63,000		63,000	63,000	
2	Printers					
PRJ1250056						
General Fund				140,700	140,700	
Project Total				140,700	140,700	
TOTAL CAPITAL	63,000	63,000		203,700	203,700	

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A - Government Operations

Operating Budget

Agriculture

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	18,876,500	19,010,000	133,500	18,876,500	19,010,000	133,500
Restricted Funds	5,696,000	5,696,000		3,909,500	3,909,500	
Federal Funds	4,813,100	4,813,100		4,813,100	4,813,100	
Regular Total Funds	29,385,600	29,519,100	133,500	27,599,100	27,732,600	133,500
Continuing						
TOTAL FUNDS	29,385,600	29,519,100	133,500	27,599,100	27,732,600	133,500
II. EXPENDITURE CATEGORY						
Personnel Costs	18,997,700	18,997,700		18,359,900	18,359,900	
Operating Expenses	5,194,100	5,219,100	25,000	4,248,800	4,273,800	25,000
Grants, Loans, Benefits	4,793,800	4,902,300	108,500	4,590,400	4,698,900	108,500
Capital Outlay	400,000	400,000		400,000	400,000	
TOTAL EXPENDITURES	29,385,600	29,519,100	133,500	27,599,100	27,732,600	133,500
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	18,876,500	18,876,500		18,876,500	18,876,500	
Restricted Funds	5,696,000	5,696,000		3,909,500	3,909,500	
Federal Funds	4,813,100	4,813,100		4,813,100	4,813,100	
Regular Total Funds	29,385,600	29,385,600		27,599,100	27,599,100	
Continuing						
TOTAL BASE LEVEL	29,385,600	29,385,600		27,599,100	27,599,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund		133,500	133,500		133,500	133,500
TOTAL ADDITIONAL		133,500	133,500		133,500	133,500
V. ADDITIONAL BUDGET ITEMS						
1	EXPAN University of Kentucky Diagnostic Laboratory - Grant					
ABR0350003	Provide funds to increase grant expenditures to \$478,500 in each year of the biennium.					
General Fund		108,500	108,500		108,500	108,500
Project Total		108,500	108,500		108,500	108,500
2	NEW Ultrasound Testing-North American International Livestock Exposition					
ABR0350004	Provide support for ultrasound testing for the North American International Livestock Exposition relating to animal health.					
General Fund		25,000	25,000		25,000	25,000
Project Total		25,000	25,000		25,000	25,000

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A - Government Operations

Operating Budget

Agriculture

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
TOTAL ADDITIONAL		133,500	133,500		133,500	133,500

A - Government Operations

Capital Budget

Agriculture

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference

II. CAPITAL PROJECTS

1 Franklin County - Lease

PRJ0350002

General Fund

Project Total

TOTAL CAPITAL

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A - Government Operations

Operating Budget

Auditor of Public Accounts

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	5,780,800	5,780,800		5,530,800	5,530,800	
Restricted Funds	3,096,500	3,096,500		3,306,000	3,306,000	
Regular Total Funds	8,877,300	8,877,300		8,836,800	8,836,800	
Continuing						
TOTAL FUNDS	8,877,300	8,877,300		8,836,800	8,836,800	
II. EXPENDITURE CATEGORY						
Personnel Costs	7,986,500	7,986,500		8,013,900	8,013,900	
Operating Expenses	858,200	858,200		790,300	790,300	
Capital Outlay	32,600	32,600		32,600	32,600	
TOTAL EXPENDITURES	8,877,300	8,877,300		8,836,800	8,836,800	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	5,780,800	5,780,800		5,530,800	5,530,800	
Restricted Funds	3,096,500	3,096,500		3,306,000	3,306,000	
Regular Total Funds	8,877,300	8,877,300		8,836,800	8,836,800	
Continuing						
TOTAL BASE LEVEL	8,877,300	8,877,300		8,836,800	8,836,800	

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Auditor of Public Accounts

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Auditor's Scholarships: Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships."

"Audit Services Contracts: No state agency shall enter into any contract with a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit."

"Audit Records and Status Reports: The Auditor of Public Accounts shall report in writing each 60 days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits. The Auditor of Public Accounts shall maintain a record of all time and expenses for each audit or investigation."

"Charges for Federal, State, and Local Audits: Any additional expense incurred by the Auditor of Public Accounts for auditing Federal Funds, when the audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency when the costs may be charged against Federal Funds. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office. The Auditor of Public Accounts shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of 120 days or until the

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Auditor of Public Accounts

Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts may increase the audit fees for conducting county audits if additional revenues are needed to continue the operations of the office.

The "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996" (OMB Circular No. A-133) have changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional Agency Receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 2005 General Assembly, subject to the conditions and procedures provided in this Act.

Any expenses incurred by the Auditor of Public Accounts for auditing a state or local government agency or other entity upon its request, or for performing an audit required by statute unless the audit is required by those standards governing the audit of the Commonwealth's Comprehensive Financial Report or the provisions contained in the "Single Audit Act of 1984" and the "Single Audit Act Amendments of 1996," shall be charged to the agency or entity audited.

Any expense incurred by the Auditor of Public Accounts for auditing individual governmental entities shall be charged to the agency receiving audit services when expenses are mutually agreed upon or when a legislatively mandated study by the Auditor of Public Accounts has determined the need for the audit."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following change:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

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A - Government Operations

Operating Budget

Personnel Board

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	543,500	543,500		543,500	583,500	40,000
Regular Total Funds	543,500	543,500		543,500	583,500	40,000
Continuing						
TOTAL FUNDS	543,500	543,500		543,500	583,500	40,000
II. EXPENDITURE CATEGORY						
Personnel Costs	471,600	471,600		471,500	471,500	
Operating Expenses	71,900	71,900		72,000	112,000	40,000
TOTAL EXPENDITURES	543,500	543,500		543,500	583,500	40,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	543,500	543,500		543,500	543,500	
Regular Total Funds	543,500	543,500		543,500	543,500	
Continuing						
TOTAL BASE LEVEL	543,500	543,500		543,500	543,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					40,000	40,000
TOTAL ADDITIONAL					40,000	40,000
V. ADDITIONAL BUDGET ITEMS						
1 NEW Merit System Elections						
ABR2680002 Provide funds to conduct Merit System elections for two members of the Personnel Board required by the KRS 18A.						
General Fund					40,000	40,000
Project Total					40,000	40,000
TOTAL ADDITIONAL					40,000	40,000

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Personnel Board

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly provides \$40,000 additional General Fund support in fiscal year 2005-2006 for the required election of merit system employees to the Board.

The General Assembly add to Part I, Operating Budget, language that directs:

"Personnel Board Elections: Included in the above General Fund appropriation is \$40,000 in fiscal year 2005-2006 to provide for the expense of Merit System employee elections to the Personnel Board as provided in KR 18A.0551."

"Administrative Hearing Notice: Notwithstanding KR 13B.050(2), the Personnel Board shall send notices of administrative hearings by first-class mail."

A - Government Operations

Operating Budget

Kentucky Retirement Systems

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	4,562,500	4,562,500		11,851,700	11,951,700	100,000
Restricted Funds	17,784,300	18,684,300	900,000	19,065,000	19,965,000	900,000
Regular Total Funds	22,346,800	23,246,800	900,000	30,916,700	31,916,700	1,000,000
Continuing						
TOTAL FUNDS	22,346,800	23,246,800	900,000	30,916,700	31,916,700	1,000,000
II. EXPENDITURE CATEGORY						
Personnel Costs	18,600,100	18,600,100		27,056,700	27,156,700	100,000
Operating Expenses	3,315,300	4,215,300	900,000	3,396,700	4,296,700	900,000
Capital Outlay	431,400	431,400		463,300	463,300	
TOTAL EXPENDITURES	22,346,800	23,246,800	900,000	30,916,700	31,916,700	1,000,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	4,562,500	4,562,500		11,851,700	11,851,700	
Restricted Funds	17,784,300	17,784,300		19,065,000	19,065,000	
Regular Total Funds	22,346,800	22,346,800		30,916,700	30,916,700	
Continuing						
TOTAL BASE LEVEL	22,346,800	22,346,800		30,916,700	30,916,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					100,000	100,000
Restricted Funds		900,000	900,000		900,000	900,000
TOTAL ADDITIONAL		900,000	900,000		1,000,000	1,000,000
V. ADDITIONAL BUDGET ITEMS						
1 NEW Under 65 Spouse Insurance Supplement						
ABR1000001	Provide a supplement to members over 65 with spouses under 65 covered, to partially offset the increase in individual premium.					
General Fund					100,000	100,000
Project Total					100,000	100,000
2 NEW Medicare Modernization Act / Operation and Technology Platform Enhancements						
ABR1000002	Provide authority to expend Trust Funds for the additional cost of the Federal Medicare Modernization Act and the improvements of the Operating Platform of the System.					
Restricted Funds		900,000	900,000		900,000	900,000
Project Total		900,000	900,000		900,000	900,000

FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

A - Government Operations

Operating Budget

Kentucky Retirement Systems

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
TOTAL ADDITIONAL		900,000	900,000		1,000,000	1,000,000

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Kentucky Retirement Systems

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly adds to Part I, Operating Budget, language provisions that direct:

"Health Insurance Funding: Included in the above General Fund appropriation is \$4,562,500 in fiscal year 2004-2005 to provide a subsidy for retired members who choose couple, family, or parent-plus coverage, which is representative of the amount appropriated in 2004 (Extra. Sess) Ky. Acts ch 1, sec 15 for this purpose and is not to be appropriated in duplication. Included in the above General Fund appropriation is \$11,851,700 in fiscal year 2005-2006 to provide an additional subsidy for retired members who choose couple, family, or parent plus coverage.

Also included in the above General Fund appropriation is \$100,000 in fiscal year 2005-2006 for the retirement system to provide a subsidy for those retired state members over age 65 that insure their spouses under age 65 through the state health insurance plan for Plan Year 2006. The amount of the subsidy for those over 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family, or parent plus coverage."

"Medicare Modernization Act Implementation and Operation and Technology Platform Enhancements: Included in the above Restricted Funds is \$900,000 in each fiscal year to address the additional cost to the Retirement System for the Federal Medicare

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Kentucky Retirement Systems

Modernization Act and to provide the funding requested by the Board to enhance the Operation and Technology Platform utilized by the System."

A - Government Operations

Capital Budget

Kentucky Retirement Systems

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference

II. CAPITAL PROJECTS

1 Lease - Franklin County

PRJ1000001

Restricted Funds

Project Total

TOTAL CAPITAL

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A - Government Operations**Operating Budget****Boards and Commissions**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
Restricted Funds	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
Regular Total Funds	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
Continuing						
TOTAL FUNDS	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
II. EXPENDITURE CATEGORY						
Personnel Costs	11,824,300	11,950,500	126,200	12,129,700	12,304,700	175,000
Operating Expenses	5,216,100	5,316,100	100,000	4,521,600	4,631,600	110,000
Grants, Loans, Benefits	712,000	712,000		712,000	712,000	
Capital Outlay	72,000	72,000		85,000	85,000	
TOTAL EXPENDITURES	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
Restricted Funds	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
Regular Total Funds	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
Continuing						
TOTAL BASE LEVEL	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000
VI. EXPENDITURES BY UNIT						
Accountancy						
Restricted Funds	571,200	571,200		604,000	604,000	
Certification of Alcohol and Drug Counselors						
Restricted Funds	65,200	65,200		67,200	67,200	
Architects						
Restricted Funds	262,500	262,500		265,000	265,000	
Certification of Professional Art Therapists						
Restricted Funds	11,400	11,400		11,400	11,400	
Auctioneers						
Restricted Funds	398,800	398,800		397,300	397,300	
Barbering						
Restricted Funds	230,300	230,300		236,600	236,600	
Chiropractic Examiners						
Restricted Funds	194,400	194,400		200,500	200,500	

A - Government Operations**Operating Budget****Boards and Commissions**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
Dentistry						
Restricted Funds	613,800	613,800		618,200	618,200	
Licensure and Certification for Dietitians & Nutritionists						
Restricted Funds	74,500	74,500		77,500	77,500	
Embalmers and Funeral Directors						
Restricted Funds	249,100	249,100		249,100	249,100	
Licensure for Professional Engineers & Land Surveyors						
Restricted Funds	1,363,600	1,363,600		1,379,400	1,379,400	
Certification of Fee-Based Pastoral Counselors						
Restricted Funds	7,500	7,500		7,500	7,500	
Registration for Professional Geologists						
Restricted Funds	135,000	135,000		135,000	135,000	
Hairdressers & Cosmetologists						
Restricted Funds	723,800	950,000	226,200	713,500	998,500	285,000
Specialists in Hearing Instruments						
Restricted Funds	51,500	51,500		55,200	55,200	
Interpreters for the Deaf & Hard of Hearing						
Restricted Funds	31,000	31,000		31,000	31,000	
Examiners and Registration of Landscape Architects						
Restricted Funds	58,500	58,500		58,600	58,600	
Licensure of Marriage and Family Therapists						
Restricted Funds	83,200	83,200		83,200	83,200	
Licensure for Massage Therapy						
Restricted Funds	58,800	58,800		62,800	62,800	
Medical Licensure						
Restricted Funds	2,110,900	2,110,900		2,119,900	2,119,900	
Nursing						
Restricted Funds	5,105,300	5,105,300		4,674,200	4,674,200	
Licensure for Nursing Home Administrators						
Restricted Funds	76,200	76,200		76,200	76,200	
Licensure for Occupational Therapy						
Restricted Funds	86,000	86,000		86,000	86,000	

A - Government Operations

Operating Budget

Boards and Commissions

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
Ophthalmic Dispensers						
Restricted Funds	62,900	62,900		62,900	62,900	
Optometric Examiners						
Restricted Funds	159,700	159,700		164,100	164,100	
Pharmacy						
Restricted Funds	883,200	883,200		896,700	896,700	
Physical Therapy						
Restricted Funds	263,100	263,100		264,700	264,700	
Podiatry						
Restricted Funds	21,100	21,100		21,700	21,700	
Private Investigators						
Restricted Funds	63,500	63,500		64,200	64,200	
Licensed Professional Counselors						
Restricted Funds	53,700	53,700		56,200	56,200	
Proprietary Education						
Restricted Funds	144,300	144,300		149,300	149,300	
Examiners of Psychology						
Restricted Funds	176,100	176,100		176,100	176,100	
Real Estate Appraisers						
Restricted Funds	578,400	578,400		589,000	589,000	
Real Estate Commission						
Restricted Funds	2,251,100	2,251,100		2,179,400	2,179,400	
Respiratory Care						
Restricted Funds	132,700	132,700		139,600	139,600	
Social Work						
Restricted Funds	145,300	145,300		145,300	145,300	
Speech-Language Pathology & Audiology						
Restricted Funds	89,000	89,000		92,000	92,000	
Veterinary Examiners						
Restricted Funds	237,800	237,800		237,800	237,800	
TOTAL	17,824,400	18,050,600	226,200	17,448,300	17,733,300	285,000

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Occupational and Professional Boards and Commissions

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

The Part V, Funds Transfer, includes a transfer in fiscal year 2004-2005 from: Accountancy, \$107,800; Certification of Alcohol and Drug Counselors, \$5,000; Architects, \$4,300; Auctioneers, \$27,100; Barbering, \$17,300; Chiropractic Examiners, \$27,900; Dentistry, \$66,500; Embalmers and Funeral Directors, \$20,200; Licensure for Engineers and Land Surveyors, \$288,000; Registration for Professional Geologists, \$44,600; Hairdressers and Cosmetologists, \$17,600; Specialists in Hearing Instruments, \$2,600; Interpreters for Deaf and Hard of Hearing, \$5,800; Examiners and Registration of Landscape Architects, \$4,100; Licensure of Marriage and Family Therapists, \$3,000; Medical Licensure, \$52,500; Nursing, \$442,700; Licensure for Occupational Therapy, \$15,000; Ophthalmic Dispensers, \$2,000; Optometric Examiners, \$6,200; Pharmacy, \$90,500; Physical Therapy, \$37,300; Podiatry, \$400; Private Investigators, \$2,000; Licensed Professional Counselors, \$25,800; Proprietary Education, \$28,800; Examiners of Psychology, \$37,300; Real Estate Appraisers, \$55,400; Real Estate Commission, \$302,400; Respiratory Care, \$4,300; Social Work, \$26,000; Speech-Language Pathology and Audiology, \$2,200; and Veterinary Examiners, \$51,100.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

**Fiscal Biennium 2004-2006
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Occupational and Professional Boards and Commissions

The General Assembly increases the Restricted Funds appropriations in the State/Executive Branch Budget Bill, Part I, Operating Budget, for the Board of Hairdressers and Cosmetologists in fiscal year 2004-2005 from \$723,800 to \$990,500 and in fiscal year 2005-2006 from \$713,500 to \$998,500.

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 350, Section 10, provides the Restricted Funds transfers of the Occupational and Professional Boards and Commissions listed in House Bill 267/EN, Part V, Funds Transfer, page 232, item 10., Accountancy, through page 235, item 42., Veterinary Examiners, "shall not be made, but instead shall be retained by the entity from which the transfers were directed."

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A - Government Operations**Capital Budget****Boards and Commissions**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference

II. CAPITAL PROJECTS**1** **Lease - Jefferson County**

PRJ2500001

Restricted Funds

Project Total**TOTAL CAPITAL**

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Operating Budget

Emergency Medical Services

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	2,391,600	2,391,600		2,391,600	2,391,600	
Restricted Funds	171,700	171,700		171,700	171,700	
Federal Funds	1,416,500	1,416,500		436,500	436,500	
Regular Total Funds	3,979,800	3,979,800		2,999,800	2,999,800	
Continuing						
TOTAL FUNDS	3,979,800	3,979,800		2,999,800	2,999,800	
II. EXPENDITURE CATEGORY						
Personnel Costs	1,069,700	1,069,700		1,104,200	1,104,200	
Operating Expenses	599,200	599,200		594,200	594,200	
Grants, Loans, Benefits	2,310,900	2,310,900		1,301,400	1,301,400	
TOTAL EXPENDITURES	3,979,800	3,979,800		2,999,800	2,999,800	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	2,391,600	2,391,600		2,391,600	2,391,600	
Restricted Funds	171,700	171,700		171,700	171,700	
Federal Funds	1,416,500	1,416,500		436,500	436,500	
Regular Total Funds	3,979,800	3,979,800		2,999,800	2,999,800	
Continuing						
TOTAL BASE LEVEL	3,979,800	3,979,800		2,999,800	2,999,800	

**Fiscal Biennium 2004-2006
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Board of Emergency Medical Services

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer in fiscal year 2004-2005 of \$105,000.

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to delete the Restricted Funds transfer totaling \$105,000 in fiscal year 2004-2005.

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include a language provision as follows:

"Medicaid Supplement: Notwithstanding KRS 311A.145, a total of \$300,000 in Restricted Funds from fiscal year 2004-2005 Emergency Medical Services Board collections shall be transferred to Medicaid Benefits in fiscal year 2005-2006 in order to increase the amount of Federal Funds able to be matched to increase Medicaid ambulance fees."

A - Government Operations

Operating Budget

Kentucky River Authority

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	369,500	369,500		369,500	369,500	
Restricted Funds	6,470,800	6,470,800		1,408,200	1,408,200	
Regular Total Funds	6,840,300	6,840,300		1,777,700	1,777,700	
Continuing						
TOTAL FUNDS	6,840,300	6,840,300		1,777,700	1,777,700	
II. EXPENDITURE CATEGORY						
Personnel Costs	740,500	740,500		744,700	744,700	
Operating Expenses	207,200	207,200		203,000	203,000	
Grants, Loans, Benefits	300,000	300,000		300,000	300,000	
Capital Outlay	25,000	25,000		25,000	25,000	
Construction	5,567,600	5,567,600		505,000	505,000	
TOTAL EXPENDITURES	6,840,300	6,840,300		1,777,700	1,777,700	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	369,500	369,500		369,500	369,500	
Restricted Funds	6,470,800	6,470,800		1,408,200	1,408,200	
Regular Total Funds	6,840,300	6,840,300		1,777,700	1,777,700	
Continuing						
TOTAL BASE LEVEL	6,840,300	6,840,300		1,777,700	1,777,700	

**Fiscal Biennium 2004-2006
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Kentucky River Authority

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Kentucky River Authority, Water Usage Fees, in the amount of \$86,400 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Water Withdrawal Fees: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding that portion of the provision of KRS 151.710(10) that directs the Finance and Administration Cabinet to provide administrative services for the Kentucky River Authority, Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Kentucky River Authority

The General Assembly amends the State Executive Branch Budget Bill, Part I, Operating Budget, language provision as follows:

"Kentucky River Authority Review of Water Supply and Water Project Plans : The Kentucky River Authority shall review water supply and water project plans of any entity created under the authority of KRS Chapter 74 with members located within the Kentucky River Basin area prior to implementation by the entity."

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A - Government Operations

Capital Budget

Kentucky River Authority

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Restricted Funds	2,325,100	2,325,100		500,000	500,000	
TOTAL CAPITAL	2,325,100	2,325,100		500,000	500,000	
II. CAPITAL PROJECTS						
1 Ky River Dam Maintenance Pool						
PRJ0840175						
Restricted Funds	500,000	500,000		500,000	500,000	
Project Total	500,000	500,000		500,000	500,000	
2 Kentucky River Water Storage Enhancement (KRWSE)						
PRJ0840177						
Restricted Funds	727,000	727,000				
Project Total	727,000	727,000				
3 Water Release Project-Additional						
PRJ0840178						
Restricted Funds	1,098,100	1,098,100				
Project Total	1,098,100	1,098,100				
TOTAL CAPITAL	2,325,100	2,325,100		500,000	500,000	

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A - Government Operations

Operating Budget

Appropriations Not Otherwise Classified

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
Regular Total Funds	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
Continuing						
TOTAL FUNDS	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
II. EXPENDITURE CATEGORY						
Personnel Costs	6,675,000	4,675,000	(2,000,000)	6,525,000	6,525,000	
Operating Expenses	32,376,000	5,647,300	(26,728,700)	14,605,000	3,855,000	(10,750,000)
Grants, Loans, Benefits	2,500	2,500		2,500	2,500	
TOTAL EXPENDITURES	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
Regular Total Funds	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
Continuing						
TOTAL BASE LEVEL	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)
VI. EXPENDITURES BY UNIT						
Judgments						
General Fund	28,700,000	1,971,300	(26,728,700)	10,750,000		(10,750,000)
Attorney General Expense						
General Fund	225,000	225,000		225,000	225,000	
Board of Claims Awards						
General Fund	1,000,000	1,000,000		1,000,000	1,000,000	
Guardian Ad Litem						
General Fund	5,900,000	3,900,000	(2,000,000)	5,900,000	5,900,000	
Prior Year Claims						
General Fund	21,000	21,000		400,000	400,000	
Unredeemed Checks Refunded						
General Fund	1,500,000	1,500,000		1,500,000	1,500,000	
Involuntary Commitments-ICF/MR						
General Fund	60,000	60,000		60,000	60,000	
Payments to Frankfort In Lieu of Taxes						
General Fund	195,000	195,000		195,000	195,000	

FB 2004-2006 FINAL BUDGET MEMORANDUM - 2005 GENERAL ASSEMBLY

A - Government Operations

Operating Budget

Appropriations Not Otherwise Classified

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	General Assembly	Difference	Bill as Introduced	General Assembly	Difference
Frankfort Cemetery						
General Fund	2,500	2,500		2,500	2,500	
Police Officers and Firefighters - Life Insurance						
General Fund	450,000	450,000		250,000	250,000	
Master Commissioners - Employers Retirement						
General Fund	200,000	200,000		200,000	200,000	
Master Commissioners - Social Security						
General Fund	365,000	365,000		365,000	365,000	
Workers Compensation						
General Fund	150,000	150,000				
Medical Malpractice Insurance Reimbursements						
General Fund	185,000	185,000		185,000	185,000	
Blanket Employee Bonds						
General Fund	100,000	100,000		100,000	100,000	
TOTAL	39,053,500	10,324,800	(28,728,700)	21,132,500	10,382,500	(10,750,000)

**Fiscal Biennium 2004-2006
Budget Modification Report**

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ANOC

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Funding Sources for Miscellaneous Appropriations : Funds required to pay the costs of items included within the Miscellaneous Appropriations category are appropriated, and any required expenditure over the above amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

"Payment of Judgments and Carry Forward of General Fund Appropriation Balance: The above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.892 and 164.941. Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at the end of fiscal year 2004-2005 shall not lapse but shall be carried forward into fiscal year 2005-2006."

"Repayment of Awards or Judgments : Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under \$2,500 shall be paid from funds available for the operations of the agency."

"Fees: Included in the above appropriation is funding for fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not exceed \$500."

"Reissuance of Uncashed Checks: Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with KRS 41.370."

"Payment of Benefits : Funds are appropriated for payment of benefits for state and local police officers and firefighters in accordance with KRS 61.315 and 95A.070."

**Fiscal Biennium 2004-2006
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ANOC

"Appropriation Transfer: The Appropriations Not Otherwise Classified - Master Commissioners Employers Retirement and the Appropriations Not Otherwise Classified - Master Commissioners Social Security programs and appropriations provided above shall be transferred to the Judicial Branch in fiscal year 2005-2006 inasmuch as no funds for this Judicial purpose were expressly provided in 2004 Ky. Acts ch. 197 for the Judicial Branch budget in fiscal year 2005-2006."

"Workers' Compensation for County Officers : The above appropriation in fiscal year 2004-2005 provides funding for workers' compensation for county officers."

GENERAL ASSEMBLY

The General Assembly concurs with the Bill as Introduced with the following changes:

The General Assembly does not include in Part III, General Provisions, language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The General Assembly provides \$1,971,300 General Fund support for Judgments in fiscal year 2004-2005 and no funding in fiscal year 2005-2006.

The General Assembly provides General Fund support for Guardian Ad Litem totaling \$3,900,000 in 2004-2005 and \$5,900,000 in fiscal year 2005-2006.